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UNFAIR DISTRIBUTION

OF

EARNINGS.

THE EVIL EFFECTS AND THE REMEDY.

BY

W. V. MARSHALL.

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PREFACE.

All pretense to merit from a literary standpoint is waived in the presentation of this work before the public. I have gained my object if I have succeeded in making understood the following, believed by me to be, genuine facts, viz:

That *Unfair Distribution of Earnings* is the true and only cause of over-production, industrial depression and "hard times."

That the primary agencies of unfair distribution are two:

1. Unfair taxation, exercised through the instrumentality of a false tax code.

2. Unfair exchange, exercised through the instrumentality of monopoly.

That a proper remedy consists of the introduction of a fair system of taxation and the abolition of monopolies.

That fair taxation, while constituting of itself a remedial measure, will effectuate the abolition of monopolies.

That what must follow is independent enterprise, free competition and the rapid advancement of society to a state of unrestricted progress and prosperity.

That all must be interested in the change since no class is exempt from the deleterious influences of present morbid conditions.

W. V. M.

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INTRODUCTION.

THE substantial ills with which society is afflicted are these : Unfair distribution and the evils and evil agencies growing out of unfair distribution as a primary cause.

By unfair distribution, I mean such a division of earnings as allows to some more than is theirs by right of their own energy and expenditure of means, the process involving a denial to others of an equivalent amount which they have been instrumental in bringing forth. Here is one way in which an unfair distribution of earnings may be executed: A manufacturing company may pay less than real worth for the hired labor and raw material used in the manufacture of its specific articles of sale, and charge and get more than real worth for the manufactured articles when sold, producing the consequences that the manufacturing company receives a greater share of wealth than by its industry and the use of its capital it has legitimately earned, while the laborers, the furnishers of the raw products, and the purchasers of the finished products have so

much wealth deducted without an equivalent given from their earnings. A railroad company may pay less for the labor of others, and for the machinery of transportation than they are worth and charge more for their own services of transportation than they are worth. This giving to one class or set of persons more than they have earned, which can only be done by disallowing to others as much as they have earned is attended, I am forced to believe, with grave and untoward results, the facts of which I will show, or cherish the belief that I will, with the double view in hand, of convincing people whereat lies the foundation of the ills which oppress them, and of giving light upon the proper course to pursue for relief.

A prospective impression of the causes, methods and consequences proposed to be examined as phenomena embraced in unfair distribution and its relations, will be of help to an understanding of the subject, and can be conveyed as well, as in any other way, by the employment of a few ideal illustrations:

The Great Wall Street and Peoples Railroad, I will say, is projected to extend through a certain section of the Union. The projectors resort to the usual custom of asking for aid. They get it. Possibly the National Government aids them with landed donations and in the procure-

ment of funds. State aid of a similar kind is given them, and they get aid along the projected route in the settled districts from cities, towns, counties, townships and private citizens, in the way of bond issues, land and money donations, and other help.

The amounts provided by all or any of these different forms of aid, positively in the gift of means to meet expenditures, negatively in the gift of reliefs from necessity to undergo expenditure, form a magnificent basis available for construction and equipment purposes and the credit necessary to complete.

When after the receipt of such aid and the lapse of time the road is completed, by all the rules commonly governing in such cases the projectors are the leading owners; and having from that fact the balance of control, they usually make use of the advantage to secure, at a trifling cost to themselves by means of dark integrity, whatever interests the people may have reserved in the property during the time of its development.

What follows? Full proprietors, and wholly undeterred by any menaces that exist in law or elsewhere, they turn to and run the road as it if were an instrument provided solely for their own rapid and grand self-enrichment. They proceed as if they never took thought

that the road was ever designed by any one for any other purpose than their self-enrichment, and they conduct it as if that were the sole need of it. By their system of alliances with other roads, and over-charging, and use of the road in general to foster the private interests of themselves instead of the public interests of the founders, they add to their exchequer every year hundreds of thousands of dollars above what is a fair remuneration for their services and a fair profit upon the capital employed, assuming their right to profit upon capital which has been donated to them.

Such practice illustrates how we are repaid for the favors we bestow. Having been induced to relinquish large blocks of our wealth into the hands of a few individuals we are rewarded by its being ever afterward used for the swindle and oppression of us.

Another illustration: The manufacturers of three-profits—a name which I use for convenience, but which is applicable to many manufactured articles of special utility—are capitalists of great wealth and thrift. Years ago the leading men in that business met in secret council to take into consideration the advancement of their interests by the adoption of methods looking to improvement in the manufacture, sale, business conduct and legislative enactments relative to

three-profits. At this meeting they agreed upon a general plan of concerted action and management which had for its object the control of the business of three-profits in such manner as to enable them to regulate the supply, destroy competition, set their own prices upon the labor and raw material which they engaged and to charge what they might see fit for the finished article. By union of action they succeeded in their purposes and they now are, as they long have been, masters of the situation. They are sole dealers, sole dictators of terms, and will not brook opposition. The public is compelled to patronize them or go without. Three-profit mechanics must work for them upon such terms as are allowed or quit the trade, and producers of the raw materials must sell to the combination for such prices as they can get or not sell at all. To keep out native competition the combined three-profit manufactures glut the markets in the vicinity where a new factory has started up at such a temporary low price as to ruin the new enterprise and force it out of existence. To keep out foreign competition they secure the enactment of tariff laws forcing foreign manufactures to pay a large price for the privilege if they ship any three-profit goods into this country. As a result their wealth is increasing, as it long has

increased, out of all proportion to the increase of a just and fair profit.

This is a picture of the consolidating and monopolizing methods of the present day, permitted and fostered by a faulty system of taxation.

Again. In the province of Wealthy-few the people are divided into two classes, the Opulent and the Common. A double method of taxation there prevails, the direct and the indirect. By the direct method the money which is demanded for public needs is paid directly from the hands of the contributors into the hands of the collectors. The direct tax levies are putatively apportioned according to worths of properties. In practice it is anything else than according to worths of properties, since by schemes of undervaluation, exemption and evasion, the rich Opulents manage to throw the burden of taxation upon the common class of people. The indirect tax is paid by the people of this province when they buy most or all of manufactured goods, they paying each time they make a purchase a certain excess above what they would have to pay were there no indirect tax. The goods upon which this tax is collected are of both foreign and domestic manufactures. The tax upon the foreign goods is collected for the benefit of the government; that upon the domestic goods is collected for the ben-

efit of the domestic manufacturers, the Opulents. Those who bring in the foreign goods advance the tax to the government when the goods are brought in. They are then so much out of pocket for the benefit of the people. They get reimbursement by charging enough when they sell their goods to make up for the government tax they have advanced.

Domestic manufacturers, Opulents, get their tax by adding to the regular profit price of their goods enough to make their price equal the price importers sell at to make up for the government tax which they pay. This double source of revenue—first, the regular profit upon their goods; secondly, the tax collected from the purchasers of their goods, has given, and goes on giving, astonishing riches to the manufacturing Opulents of Wealthy-few. Add, that by schemes of evasion these fellows escape the payment of a large share of what would be under the law their direct tax, and who, seeing as men see now, would not be an orthodox Opulent of Wealthy-few?

The common people in that land do not get to taste much of the enjoyments flowing from wealth, for the Opulents, having great influence at the law making centers, get import duties so gauged as to give them well nigh the exclusive home trade in their specific lines of business,

whence they are enabled to so over-charge and under-pay as to gather up about all the wealth that is produced above what is needed for the plain subsistence of the common people. While the Opulents of Wealthy-few can keep their people in the present way of thinking, as regards both the direct and indirect methods of taxation there pursued, they will, as they look at it, be most admirably circumstanced. They will be supreme against the molestations of large manufacturers abroad and against the inroads of infant manufacturers at home. For while import duties protect them from being overwhelmed by more powerful competitors of foreign nations, no similar law of taxation prevents them from overwhelming infant concerns which attempt to compete with them within the bounds of their own nation.

This shows what is practically the form and workings of part of our system of taxation.

These illustrations will serve to exemplify in the rough, the mistakenness of some of our policies and practices and what is the character of some of the unjustifiable methods employed by designing men for self preferment, though not all. Other methods will be noticed as the development of the subject brings them into relief.

I may here state that unfair distribution is not something peculiar to the age. In all prior

times of which history treats, it has been the case that the citizens of one country as against those of another country, or a portion of the citizens as against the rest in their own country, have contrived to get at and enrich themselves from accumulations they have not themselves earned. We are advised that savages have invaded fellow tribes, clubbed and plundered them, then feasted upon the booty gained. That chiefs have arbitrarily appropriated the lands of their own subjects or those of conquered nations, then robbed the tillers of it through exhorbitant rent charges. That members of one race have captured those of another, reduced them to servitude, then subsisted upon the surplus fruits of their labors. These are simply the records of methods popular in their time and place for the execution of unfair distribution. These methods we are now prone to look upon as methods of violence and robbery, the authors of them as tyrants and plunderers, the objects of them as victims who were forced to succumb and deliver. Such rude methods for the subjection and plunder of a people, the more highly civilized inhabitants of the globe will not now tolerate. Those who do now profit at the expense of their fellowmen have been constrained into the selection and use of methods more refined and less shocking. But though the execution of unfair distribution

is conducted in a manner less shocking, it is none the less, on that account, the robbery of men by men. Nor does the refinement of the business make it the less objectionable since the effects are just as harsh and hard to bear.

But because the business of plundering has not changed as man has marched forward and upward, except in the manner of pursuing it, we are not to infer that the business will never cease, and so have all hopes in us for the betterment of the condition of man made naught. Considerations are sufficient, as shall be observed upon hereafter, to assure us that man will eventually rise to the capacity to see all that relates to the evil of unfair distribution, among other things the way to an entire banishment of the evil.

In my opinion the basic or foundation methods by which unfair distribution is popularly executed at the present day in our country are—

First—Unfair Taxation.

Second—Unfair Exchange.

I call these the foundation methods, because it has been by getting on the advantageous side of them that intriguers have laid the foundation for the inflow of the wherewithal they subsequently employ to invest in our homestead possessions, or incumbrances against them, for the purpose of reaping additional profit from us in rent and in-

terest. If we apply to and get rectitude in these fundamental methods of dispensing wealth, rectitude in the others will follow as matters of inevitable consequence or march of event.

We have unfair taxation. Taxes are, or should be, solicited and contributed to meet those expenditures for the need and benefit of us which must from the nature and necessities of society as a body, be publicly incurred. For one party to evade payment of his proper share of such requisite expenditure is but to cause another or others to pay the unsatisfied portion for him.

Such evasion and shouldering upon others what one himself should bear is a proceeding in nowise different in its nature and production of effects from the art of taking advantage, one of another, in a deal or trade.

Unfair exchange is executed through the instrumentality of monopolies, those having the monopoly of any business or occupation having it in their power to dictate terms of their own making to both buyers and sellers dealing with them. Unfair taxation, such as we have, is a promoter of monopoly. It does not conduce to the perpetuation of industries in disconnected, competitive and independently working wholes, but encourages the aggregation of them into consolidated concerns under single and non-com-

petitive managements. In this form they are creative of unbounded mischief.

Fair taxation would be of double good. First, those who paid taxes would have justice done them. Secondly, it would discourage combinations and give to independent and rising industries strength to defend and continue themselves, whence would follow good. When we had fair taxation we would have the provision which secures us industrial liberty; when we had industrial liberty, man would, impelled by his nature, work out and maintain the solid welfare of himself.

So much upon methods. Let us go ahead and outline some of the results of, and the manner of the connection of these results with, unfair distribution.

OVER-PRODUCTION, INDUSTRIAL DEPRESSION AND "HARD TIMES."

Readers are familiar with the fact that we are treated every few years with an interval of stagnation in business and industry which is characterized by intense want among a large portion of the population, while the country abounds in such a plenty that the possessors do not know what to do with their stores. Overstocked mills and factories everywhere are closed for

want of orders, when thousands upon thousands of people all over the country are in distressive need of the very things which are therein produced. Nobody *seems* to want to buy although everybody is intensely anxious to sell. The hungry laborer cannot trade his labor for produce, for his labor would worse the condition of things by the production of more. Overproduction of the needs of life is just what the trouble is. Yet for the reason that we have over-production we have the living in a state of pinched necessity and distress, the larger portion of our population. This must appear to many strange. Something must appear to them to get out of joint. The question naturally occurs: how is it that the yield of the earth and of toil gets piled up unsold, unused and unsought for while so many are in such dire distress from need of it and owners are so willing to sell, but cannot? What is the nature of the monster that lodges itself in our midst by spells, and causes everything to come to a stand still, and this in the face of every willingness of the people to act and every readiness of the wheels and implements of industry to be set in motion.

The answer is to be found in a study of the effects of unfair distribution or that misdivision of earnings which gives continuously to one class shares that another should have. The following

illustration will demonstrate the development of these effects:

The Island of Notseen, we will imagine, contains a population of one thousand able bodied men, who, with their families, form an isolated and self-sustaining community. All of these men sustain the relationship of employing proprietors and employed, in the ratio of 50 of the former to 950 of the latter. All the wants of the community are supplied by the management and industry of these one thousand men. But 50 of these men employ the other 950, and pay them wages, so that the subsistence produced by the1000 men is first owned by the employing proprietors, who dispense it into the community in manner as merchants sells goods.

We will imagine that the community produces commodities averaging in amount $2,000 worth per day ; that the workmen get $1.50 per day, a rate of wages enabling the lot of 950 to purchase an average of $1,425 worth of commodities daily. Then $575.00 worth becomes the daily average share of the employers. Let us suppose that this $575 worth just suffices to supply the employers with all their personal wants upon the island, and to provide them with the capital they must join with the efforts of themselves and workman to produce the $2,000 daily earnings. We have before us, then, a case of happy adjust-

ment of reward with earnings all around, in which the process of production and consumption are equalized—in which the commodities produced in the community will go as fast as they are prepared, and the people will be kept continuously busy in forming a new supply.

Assuming the adjustment here marked out to be the one suited to exactly maintain equilibrium between supply and demand in this case, let us see what will take place under a change of adjustment. Suppose the employing proprietors of Notseen to go at and reduce the wages of their workman to $1.25 per day, without reducing the scope of their operations, or the prices of their commodities : the workman then will be able to purchase daily, with their wages, only $1187.50 worth of goods or five-sixths as much as they did before, causing there to be left of their earnings, one-sixth, or a sum equal to $237.50 worth daily, in the hands of the proprietors as a gain or bonus to the latter.

Now, let us keep in sight of this gain or bonus and learn what use is made of it or how it disposes of itself.

The first fact we are made cognizant of is this: the gain shuns ready use or consumption. It is not turned to the speedy benefit of anybody like products that are not gains. At first blush this affirmation may not appear correct, but we

shall soon prove the truth of it. We readily understand that the workmen cannot make speedy use of this gain because they cannot purchase it with current wages. Their wage income is exhausted upon the expenditure, by each of them of $1.25 per day, or by all of them of $1187.50 per day. They would have to expend $1425 per day to secure the $237.50 worth gained away from them by the cut wages, but this they cannot do out of a wage income of $1.25 per day. So we see that inability to purchase prevents the workmen from making ready use of it.

But why does this gain fail to admit of ready use by the proprietors. Because provision existed prior to the cut in wages for full supply of all their regularly accruing wants, both personal and capital, in consequence of which no avenue of need afterward existed into which could be immediately projected this newly gotten gain. Increased extravagance of living on the part of the proprietors would serve for the making way with some of the gain, but the proprietors being in numbers few, and the gain in the aggregate large, the greatest extravagance they are inclined to indulge in suffices for the consumption and extinguishment of but a small portion of it. They can use none of it profitably as capital, it must not be forgotten, since having abridged the purchasing power of the great body of their

customers by the cut in wages, they have need to decrease their capital employed in production rather than to increase it.

The gain is not readily consumed, because the getters of it have no need of it, and the losers of it cannot purchase it.

To the question of what use is made of this gain, we must answer in view of the facts just given, that no material use is made of it at the start.

To the question of how does it dispose of itself, the answer is, that following the customary order of disposing itself this gain for awhile simply accumulates—because it is unusable on the one hand and unpurchasable on the other hand by regular methods, it sets itself to piling up in the bins and shelves of store houses.

So far we have traced this gain and are rewarded by finding that it sets itself to accumulating. Presently we will be made acquainted with a familiar completed development. The accumulation goes on until the proprietors of Notseen have their store houses stocked to suffocacy with everything the people have been in the habit of producing and consuming. That condition of things is popularly know as "over-production," and the reader is advised that the over-production here traced up to, is over-production from the only cause which ever leads to

general over-production of the needs of life, namely, unfair distribution, or the practice of profiting, class at the expense of class.

Unfair distribution, the only cause of general over-production, leads inevitably to general over-production as one of its most eminent effects. Deny a class of a portion of it earnings, and all that portion except what may be used up by the getters of it in extra extravagances, piles up. Those from whom it is gotten are forced to reduce themselves to greater meagerness of living. These are some of the first effects, though not all nor the most, as we are upon the verge of discovering.

The over-stock of commodities in Notseen, consequent upon the greedy action of the proprietors, having assumed proportions beyond which the proprietors care not to let them further expand, other events rapidly follow. The first in order of these is the adoption of measures by the proprietors for the check and decrease of over-production. The execution of these measures consist in the closing down of industries, the discharge of the workmen and the refusal to them of further chance to gain a living by work at their customary vocations.

After this there appear and reign the events known as "industrial depression" and "hard

times." These follow in rapid succession after the full development of over-production.

"Over-production" needs no further description for us to have an idea of what it is. "Industrial depression" we know to be the torpor of trade and industry occasioned by the stoppage of operations. Of what sort is the experience of "hard times."

Keeping at our illustrations, it is the experience of discouraging trials and hard luck, joined with impoverishment and distress, attendant upon the men in their endeavors, during the season of industrial depression, to maintain soul and body together. For though the men may be forced to desist from earning further subsistence, the physical systems of themselves and families do not cease to demand support.

Common experience teaches us what is the succession of events that will occur through the period of hard times. After their discharge the men subsist so long as they can upon the means they have been enabled to lay by. Their means gone, they seek out their employers and beg to be allowed to resume work for the further support of themselves and families. Comformably to rule, their petition fails of success. The employes are not only denied labor, but are usually accused of shortsightedness and blamed for their condition in language not out of such fashion as

this: "No, you should see that there is a plenty of the means of support. You must suffer the consequences of your folly. Had you been less extravagant and shiftless in the past you would not now be without means to purchase a living." To this the petitioners might very convincingly retort, "How is it possible to purchase the whole of a thing with less money than its real worth? Had we saved with unexampled care would that have left in our hands means to purchase the sixth you gained away from us when you reduced our wages twenty-five cents on the day." A reply characteristic of the kind usually given to terminate said conferences is: "It is not our business to engage in arguments with you; we understand how to conduct our affairs, and desire neither your importunity nor your advice."

After this petition and colloquy, which is caused to take place out of sheer desperation in the men rather than from any hope they harbor of succeeding in a sort of attempt that they can not but know will fail, the next event transpires. This event is the reluctant impairment by the workmen of their homesteads. They are forced to part with their home properties—accumulated previous to the era of exaction—in such quantities and upon such terms as they can, or to encumber them, in order to get the wherewithal

to live upon. To sell or to mortgage pre-earned possessions was in reality the only thing left the workman to do, the only recourse left open to them for the getting of a living in fact, after their employers had closed down and promulgated the dicta that the stock in hand must be reduced before more should be produced; and if it were done after every imaginable struggle to avoid it, it had to be done before there could be a return to industrialism and "good times."

Those who have no properties to yield up on these occasions, or have yielded up all and are still in want before the close of the period, must beg or steal, and in consequence get themselves lodged in pauper shops or prison pens.

Such experiences as these contain the gist of what is meant, when we speak of "hard times." They are the peculiarly disagreeable experiences joined with the vanishment of accumulated gains.

They are the more remote and harsh effects of unfair distribution. The denial to the employes of Notseen of their full wages allowed them to live less bounteously upon $1.25 per day. Now, for the dissipation of the resulting over-production, industries are closed down and they are denied the chance of getting any sort of a living, except as they surrender pre-earned possessions in exchange for it, beg or steal it, or have it furnished them as paupers or criminals.

It is, indeed, experiencing hard times when willing hands are not permitted to satisfy the craving stomach by industry, when one is forced to part with the accumulations of his former toil out of dire necessity, and when a victim is sentenced to pay the penalty of pauperism or crime because he has not disobeyed the injunction of nature to preserve life, and given himself up to starve.

This I will let suffice for the dispensing of an idea of the methods and results of unfair distribution, with the hope that it will find its use in making easier to understand what is to follow.

In what has gone before the ill experiences are given as borne by employes for the sake of simplicity and not because it is held that hired laborers alone suffer from unfair distribution. The evil effects of unfair distribution are visited upon everybody, the ordinary farmers, merchants, manufacturers and upon those who are the recipients of the earnings extorted from the common people. An unfair distribution of earnings, no difference how made, whether through unfair taxation or unfair price, or otherwise, affects society in the same disastrous manner. At the expense of some repetition,

this part of the introduction being written since the writing of the balance of the work, I will give some more of the events growing out of unfair distribution. Again for sake of simplicity I will treat them from the single stand-point of unfair exchange through the instrumentality of monopoly.

First. The authors of monopoly force a system of self-denial and stupor of trade upon the balance of society.

Those who combine industries into the form of monopoly carry out the purposes of their combinations by over-charging for the commodities and services which they sell, and under-paying for the commodities and services which they buy. The effect of this practice is to leave the balance of society less than the full share of its earnings. If the people who compose the balance of society are deprived of a share of their earnings, then, they must do with less of the means of welfare than full earnings will buy and less business must be done to satisfy common demands. The people must do with fewer and poorer houses, barns and fences, and lumber and hardware merchants must sell less lumber, nails and building material. The people must do with fewer suits and dresses, and clothing and dry goods merchants must sell less garment and drapery stuffs. The

people must skimp in the kind and variety of their food, and flour dealers and grocery men must do a poorer trade, butchers must sell less meat, farmers less wheat and fat steers, and gardeners less garden truck. The people must cut short in their pleasures and enjoyments, and dealers in carriages and musical instruments must do only half the business they might have done had the public been allowed to retain the full share of their winnings. In short, if only a fraction of earnings is left with the balance of society, then the balance of society can only enjoy a fraction of earnings and tradesmen can have only a fraction of trade with its profits. This is self-denial and stupor of trade.

If this self-denial and stupor of trade served any good purpose whatever to the monopolists there might be some justification for its enforcement; but it does not, as will be made presently to appear.

Second. The authors of monopoly indulge in useless piling up of products. The piling up of products occurs from this fact. I have stated that the authors of monopoly force a system of self-denial upon all the rest of society. What does this system of self-denial mean? It means that the balance of society do not consume the full amount of their earnings. What do those earnings consist of? They consist of the pro-

ducts of their effort—the lumber, food, clothing and every thing else produced for the satisfaction of man. The balance of society consumes but a part of their earnings, because the monopolists set such prices for them in their dealings with them as to allow them opportunity to get but a part of their earnings. The earnings which the balance of society does not consume, must then pile up.

But, says one, cannot the monopolists consume them? Certainly not. Their own *bona fide* earnings, the part which would be left them if there was a *fair deal*, suffices for their consumption, both of personal and capital wants. This, which they get by overcharging and underpaying, is a *gain*, something that falls into their possession over and above the *bona fide* earnings which they themselves make. They may and do make way with some of these gains by indulging in extravagancies, but they cannot, with the utmost extravagance, make way with all their gains, their number being too small as compared with the number they are gaining from. It is probable that fifty thousand would include the number of monopolists in the United States. An even estimate of the balance of earners is twenty million persons. If these fifty thousand monopolists gained an average of 25 cents per day from each of the twenty million

earners, it would give to each of the monopolists above his own legitimate earnings, a gained sum equalling upon the average, $100 per day, or $30,000 per year. This large sum they cannot consume in addition to their own legitimate earnings, and it is not probable that their gains are even as small as this sum.

This gain must pile up and take the name that it is commonly known by, which is, "Over-production." Over-production consists as follows: On hand, of the monopolists' own make, products which would not have been left on their hands had they let their wares go at earned valuations; in the possession of the monopolists, by actual or debt claim, of the peoples' make, products which they would not have got had they taken in the peoples' wares at earned valuations.

Over-production always stands opposed to scarcity. That is, because over-production and scarcity have one and the same cause. When you rob 20,000,000 citizens of a large share of their earnings, then we must hear the complaint of scarcity. When you turn these earnings over to another 50,000 citizens, then we must hear the complaint of over-production. But the passing of earnings out of the hands of one set into the hands of another set is a single operation. That is why plenty and scarcity go

together and have the same cause. The monopolists cause such a division of earnings as to give themselves too much, while they leave the balance of society too little. That is why we have over-production always side by side with destitution.

I have stated that this piling up of products was a useless piling up of products. This we shall presently see.

Third. The monopolists force, check and stoppage of production, with its hardships, until their gains or over-productions can be disposed of. It has been shown that the gains of the monopolists simply pile up—accumulate upon the shelves and in the bins of warehouses and in storage yards. In time every storing place is filled to overflowing. Then what is done? There is stop put to production. Manufacturing, mining and productive concerns which have these surpluses are closed until these surpluses can be disposed of. Men are stopped from work, and those that are poor are thrown upon the charities of the public or driven into crime to get the wherewithal to sustain life.

Here, I ask, where was the wisdom in piling up this stuff if production must cease for the sake of getting it consumed? Has any good purpose, whatever, been subserved? All society, outside of the monopolists, have been forced to practice a

system of self-denial, more or less stringent, that an over-production might be saved. Now they must be forced to undergo a period of industrial depression, with its dangers and hardships, that this over-production may be consumed. Would it not have been better had we indulged in plenteous consumption of our productions along as we created them, and thus avoided the occasion for stoppage, industrial depression and hard times? We have, in effect, been forced to work five years and to be idle one year, with the result of a poor living six years. Would it not have been better for us to have kept a brisk activity for the whole six years and enjoyed all we could produce in that time? We work that we may have a living, and as good a one as we can get. Then, why should we work five years, and be idle one, and lose the comforts that the year of idleness fails to bring forth?

If the monopolist is looking for riches alone, would he not get more of it by six continuous years upon a smaller margin than by the present course with excessive margins? I am convinced that any one who will take time to examine the subject must answer in the affirmative. I may proceed to another fact.

Fourth. The authors of monopolies waste our earnings in useless over-investments. The great gains which the monopolists make are not all

put into the forms of over-production. Another name for their great gains is profits—extra profits. A portion of this extra profit is used by the monopolists to increase the size and capacity of their industries. But the increase which they make is a misapplication of capital. Why? By producing more another year, without changing their terms of dealing with the public, as they do not, they only add to the amount which goes into over-production. Why, then, do the monopolists increase the capacity of their industries? Because capital is always crazy for investment. These monopolists want their enormous profits to be doing something, and to enlarge industries already over-large, is the only chance they see to make an investment that promises *anything* in the shape of reward.

But to enlarge industries that are already overlarge—is not that a waste of earnings? That money which has gone to double the needed capacity of our factories, mines and railroads—would not a more wise investment of a share of this capital have been in farmers' barns, laborers' houses and homes, struggling merchants' expenses, poor peoples' clothes—in fact, where it could have been fully used instead of half used? Should the lumber manufacturers profit to such an extent as to force the people to do with insufficient buildings, while they double the coun.

try's needs for saw and planing mills? Should three-fourths of the people of the Union be forced to curtail in their wearing apparel in order that a few manufacturers can boast of a manufacturing capacity sufficient to supply the world? Do we earn that we may enjoy as we need to enjoy, or do we earn that some men may make a grand and vain display?

I think the burden of complaints heard around us should convince us that, though there is a one-sided getting of wealth and development of industries, yet nobody is satisfied with it—neither the gainers nor the losers. The cotton and woollen manufacturers' wail is, "What shall we do to find a market for our surplus cloths and calicoes?" The workmen's wail is, "What shall we do to keep ourselves, wives and children from nakedness?" The lumberman complains, "What shall I do to get rid of my enormous stacks of lumber?" The farmer complains, "What shall I do for the means to protect my stock from the storms of winter?" The stockholders of the railroads say, "How are we going to make our enormous capital in railroad extensions pay?" The masses say, "What are we to do for capital to run our industries with?" The monopolists, in concert, say, "What are we going to do with our enormous profits and idle money?" The balance of society, in con-

cert, say, "How are we to raise the means to make our affairs come out so that both ends will meet?" The monopolists have overloaded themselves with facilities for doing and stuffs to sell, and have done it by impoverishing those whom they looked to do for and sell to. They have overleaped bounds and ruined their market in the process of getting ready for it. In consequence, they have got themselves into a situation that has set them to complaining as loudly as the rest of the public. It worries them as much not to be able to sell to and perform for the public as it does the public not to be able to patronize them.

We now see what is the secret of our troubles. Since the one side complains of having too much and the other side of having too little, the great trouble is because of unfair distribution of earnings. The monopolists want to rapidly enrich themselves, but they are proceeding too greedily and it is giving them constant dissatisfaction. They want to trade largely with the people, but they dictate such one-sided terms as to exhaust the peoples' means before much trading has been done. They want to force the people to live upon little, but to buy much at the same time, and because it cannot be done they only get themselves into trouble. They cannot sell much to the people if they charge such high prices as

to enable the people to buy but little. The doctrine of long hours and starvation wages will never produce anything but a thorn to its best friends.

If the monopolists continue on in their policy of over-investing what must eventually be the shape of their industries and that of the condition of the people? First, their own industries will be five times as large as the people need, while the people will be so poor as to be able to wear nothing but bear coverings, and to eat nothing but the cheapest sort of adulterations. Secondly, the monopolists *themselves* will be forced to a cheap living, since it will take all they can get out of their large railroads and factories and all they can get out of the people also to keep their oversized railroads and factories in form and repair. Their big industries will be like elephants on their hands, taking all the animals can earn and all they can steal besides to keep them alive. When that time comes many railroad lines will be abandoned to the rust and many factories will be given up to the rats and hooting owls.

Fifth. The authors of monopoly cause to fall into their own possessions the capital of the balance of the members of society. It has been stated that the monopolists force check and stoppage, when surpluses accrue, until they can rid themselves of their over-productions. We may

now ask, whom do they unload their over-productions upon? The answer is, upon the general public of course. There lacks place of lodgment else for them; besides,the public must subsist when they are gaining nothing as well as when they are gaining something. The merchant must eat, clothe and shelter himself as well when his sales are dull and he is falling behind as when he has a brisk trade, and is doing well. The laborer must eat when he is idle as well as when he is at work.

How are the public to pay for these over-productions, seeing that their low compensation did not permit them to buy the stuffs during the process of their creation? Cut off from the power to buy them at one time how are the people to buy them at another time?

The only way that the people can pay for these over-productions is by having recourse upon their original capital. The merchant must subsist upon his original stock of goods instead of upon the profits he expects to make from sales. The farmer must sell off some of his land, or mortgage it, to pay for the share of over-production he buys back. The laborer must part with his house and lot. If he has no house or lot, then the public must be taxed to support him in the soup-house, poor-house or penitentiary.

To conclude upon this last fact, I simply state

this proposition, which is obvious enough to need no explanation. Extortion, through the instrumentality of monopoly, consists in gaining away portions of our earnings along as we create them, then of forcing us to take back these earnings and yielding up our capital in exchange for them. The policy, of course, can only end in reducing our children, or our children's children at furthest, to a state of poverty and servitude.

CHAPTER I.

MAN'S MISSION ON EARTH.

Man has been established upon earth with a design looking foremost to the self-preservation, enjoyment and development of himself while here. This we judge to be so because he has implanted within him an irresoluble want or inclination to achieve and realize such a design, and because such a want or inclination would not have been implanted within him had it not been meant to effect such an achievement and realization. This disposition or want, repeating itself under a different phase in the disposition or want *to do* what will conduce to the preservation, enjoyment and development of self, is a force within man which he cannot annul or contrarize. Man cannot want, or want to educe, harm or misery to self or an abridgment in the number of days of his sojourn upon earth, for he is not constituted so to want and as he is constituted so he must manifest himself. He may and does seek

that which to himself is harmful, but he does not do so out of preference or under the thought that he is doing himself injury; he does so only when he is working under false impressions as to results or under morbid conditions of self. All the rational and clear-sighted acts of man are favorable to the end judged to be that of man's purpose upon earth, and guided by the best judgment he can command, he directs his energies toward the constant accomplishment of this purpose, not persistently merely, but with a vigor that marks one of the chief characteristics in living beings. He is impelled by his disposition to preserve and prolong his life with all the energy and diplomacy he can command, to minister to his enjoyments with a prolific hand and to develop himself by all the means within his power.

It is thus he is led to perform the duties he is to perform as coming within the pale of responsibilities he is made to assume toward fitting himself for his future state.

Whatever aids man in carrying out his design upon earth, is right; whatever opposes it, is wrong. This we conceive to be so because it harmonizes with his duties as involved in the belief, based upon our experiences, that nature has not set up parts of herself in such a fashion as to antagonize other parts of herself, but has

made all things to act in unison one with the other.

By the development of man we mean his improvement in the art of ministering to his self-preservation and enjoyment. Man wants to live long and well, and as there is a chance for improvement in this art he desires to avail himself of it, the longest life filled with the greatest measure of enjoyment conducing most to the complete satisfaction of himself.

As a rule what is applied practically for the sustenance and preservation of the body, affords enjoyment as well, and what is applied to afford in the main enjoyment, contributes through that enjoyment to the self-preservation of man. Food, man eats with a principal view of affording life, and health and strength of body, but he does not consume food in blank unfeelingness. There is a pleasure in eating food. Exercise and rest must be had to maintain the soundness of the system, but aside from this use of them there is a real pleasure in exercise and rest. To enter the category of things considered as of pleasure wholly, as music and sight seeing. They answer a purpose more than that of mere pleasure. They accelerate the bodily functions, invigorate the system and thus conduce to prolong life. As what satisfies the one want of man does so no less effectually on account of its contributing to

satisfy the other want, man can claim to be fortunate in having things minister doubly to the satisfaction of himself.

The purpose of man's creation; the long living comfort, happiness and advancement of man; the welfare of man; the right doing of man; his duty to himself; his wants, in an enlightened manner understood; his inclination in behalf of himself; the real interest of himself; his proper self-interest, are all homogeneous terms, phrases expressive of a train of ideas in unison with a central conception which is this: a justification of whatever is calculated, really and unequivocally and without misapprehension, to lengthen out the days of man and to swell the measure and intensity of his joys. These and all expressions of a kindred strain are delivered in the interest of the object indexed by his sympathies and will as being the object of his earthly career. It is in the sense that the welfare of man consists in the sustainment and happiness of him that these phrases are universally used and understood by man, because his nature, reason and experience forbid him to conceive that he has been placed here for any other purpose. Following such a conception as this must be the one that of all the devices employed by man for the attainment of, and experience in, these purposes of his existence, none can be considered irrational or blameworthy,

none can be justifiably characterized as extravagant, let them elicit results never so profuse, so they are of a kind fitted to really promote these purposes, for these are the purposes of his existance, the ends he was created to accomplish as coming within the pale of responsibilities he was made to assume in order to the accomplishing of still more ultimate ends of himself, and the more fully he accomplishes these ends the more fully does he fulfill the purpose of his creation—that is, act out his part here, and his duties to himself.

AGENCIES OR MEANS.

Man does not execute his mission without the application and impropriation of agencies or means. Thus when we say that man preserves his life and health we signify among other things that he employs food, drink and raiment in the operation; that he exercises himself, rests and sleeps. Without agencies or means, or, as otherwise called, wants adapted to the promotion of man's mission upon earth, there could not be man's mission, because no man, he not being subsistive independent of his resources. Man depends upon food and drink, upon raiment and shelter, upon air and sunshine, upon things vital and things not vital, upon things requiring task and those requiring no task to make him what

he is and what he is to be. It is these that are applied by himself to his person and are inbibed by his person with the view to extend his hold upon his life, to give to himself comfort and enjoyment and to grant to himself the development or advancement of himself. When supplied with an adequacy of these, his agencies, means or wants, the purpose of his creation is promoted to the highest degree.

Some things come to man thoroughly fitted in the natural state to serve him, as the sunshine and air of free space. These are essential to his welfare but compose but a part of things essential to him. Much that is needed by him must go through the ordeal of task before it is fitted for his use. Such are bread, clothes, houses and everything we see which has been fashioned by man out of the materials of the earth. For the fashioning of these things there has been called into practical application the agency of exertion, essential in and of itself to give health and strength and pleasure to the system. After exertion comes rest and leisure and sleep, made sweet by virtue of exertion, and these complete the round of agencies which conduce to the self-preservation and enjoyment of man.

The agencies which conduce to the welfare of man we may now classify, in order to a more

thorough explanation and understanding of them. They are:

1. Things ready in the natural or primitive state to be appropriated by him, as the air of free space, the light and warmth of the sun, the water running at his feet.

2. Things made ready from unready material in the natural state. These compose all the products of man's industry, the wealth of his toil acquired by him for the support of himself.

3. Exertion of mind and body. It is by the exertion of man that tangible acquisitions for the use of him are made to arise, comprising the second class of agencies. But exertion becomes a third agency by contributing to the needs of man on its own account and irrespective of the tangible acquisitions summoned through it. Man must undergo exertion to give to himself health and strength and tone of system, and to work off the regularly recurring uneasiness which arise within the system and which have for their antidote, exertion.

4. Things partaking of a restorative character as rest, leisure, and sleep. Exertion, as an agency of itself answers its purpose in exhausting and tiring parts of the system when there comes into need an agency of a reactionary or recuperative sort. Opposed to the day of activity, there is the night of sleep; opposed to toil, rest; opposed to

application, recreation; opposed to the active effort for supply, the passive enjoyment of supply.

In these four classes are included all of the agencies or wants of man considered as being pre-supplied with the earth for an abode. The classification is based upon peculiarities predominant in each set and will aid in the elucidation of our subject.

These different classes, we observe, occupy different relationshipsto man. The first are pure gratuities of nature. They come to him without call or help, and with all are so perfect for the purposes they are designed to answer that no improvement in them could be supposed. They are as essential to him as any that occupy a place upon his list of wants, but they cause him no care to assure their coming or to assure their suitableness for him. They are perfectly satisfactory to man.

To the others are attached man's great solicitude and concern as being wants which he, fixed so as to be largely the responsible architect of his own fortune, must satisfactorily work out for himself if they are to be satisfactorily worked out at all. In the present stage of his existence these wants are lacking. They are not thoroughly satisfactory to him. They are pervaded with imperfections. But while this is true it is also true

that these imperfections are not unsusceptible of mitigative and even of obliterative influences at the hand of man. In this fact there is supplied a hope and a solace for man as being a creature disposed to be gratified and to be rid of all imperfections attending his means of gratification. If we discover the exact condition of existence and relationship to man, of the wants which are dependent upon him for their coming and condition we will be possessed of a clearer conception of what are the things which go to make up the real problem man is to solve in order to the complete welfare of himself, and why it is his tendencies are bent always and tenaciously into a one single direction or course of pursuing.

The first of these three self-regulative wants of man, that is the second in the list, or task made means, stand related to man in this way: the task for their supply must proceed from him. His is the task by which they are made to appear.

This is in accordance with the theory of creation, universally encountered, that whatever is sustained by the help of task must be the author of the task which helps to sustain it. The bird which would have food, to be used as a means of support of itself, must make itself a means for procuring that food. The wild beast must be itself the seeker of its prey; the plant must be

itself the accumulator of the sap which enters into its growth. Man is no exception to the consequences of this rule. Standing in need of task-made means to fulfill the purpose of his creation it devolves upon him to expend the task for their procurement.

The task which man undergoes for the procurement of his task-supplied means is another want of his, coming under the head of the third class of wants, and stands related to him as means, not consisting of outward things to be applied by himself unto himself, but as means arising within and that are to be imbibed by himself through the energy of himself. That provision in the economy of nature which makes the existence of man's need also an instrumentality for supplying another need, does not make the exertion less satisfactory on that account, but more so. Exertion undergone to satisfy the muscular need of contraction and relaxation, and the mind's need of attention and concentration, is enhanced in its power to satisfy in its special field by reason of its leading to satisfaction in another field. Anyone who will take the trouble to study the subject, will be convinced that the productive feature of exertion gives to it pungency and zest, and constitutes in other respects a very important part of the virtue in exertion, *as* exertion, to satisfy.

Exertion of this sort is what we call by the

name of work, toil, labor. It occupies a double relationship to man. It satisfies a craving that can only be satisfied by things existing within, and it is a means of granting to him things needed to satisfy cravings of his which can only be satisfied by the application of things existing from without.

The last class of agencies are like the class just above in this: they are agencies to be had as they are undergone or to be enjoyed simultaneously as they are developed through certain manipulations of the body, but they are unlike this same class above in this, they are not a means of supplying for other wants. They have no results beyond satisfying the single desires they are designed to satisfy. Rest and sleep produce man nothing from without, but he must have them just as much as if they did. He wants also leisure and recreation, and the exertion that is for pastime instead of profit, and that calls into play a new set of activities to exert an influence in restoring to freshness and vigor the long used and tired activities. This class of wants would come under the head of idleness, and we can say man wants idleness as well as work.

LACKS AND TENDENCIES.

These three classes of wants, just gone over, are imperfect, unsatisfactory to man, not calcu-

lated to conduce thoroughly to his welfare. In what respect are thus lacking or deficient:

1. There is too little of the fruits of toil.
2. There is required an excess of toil.
3. There is too little of the period of idleness or relief from toil.

These lacks are evils to mankind. They are drawbacks to the promotion of the purpose of his existence. What is the way to mitigation or avoidance of these evils?

The way is through increased efficacy of effort; through making labor more productive by degrees. That gives us more fruits for the same toil, or makes requisite less toil for the same fruits, or works betterments as it is apt to be made to do both ways, and when there is less toil required it is an improvement in the last department of wants.

Now inasmuch as increased productiveness or labor enhances the welfare of man, and his welfare is the cardinal desire of his being, with what view uppermost are we always to find man pursuing?

With the view uppermost always to accomplish the most possible with a given amount of effort, or, as equivalently stated, to accomplish any given thing with the least possible amount of effort. This is his cardinal tendency: to adopt that line and policy of conduct which will conspire most to

satisfy his wants for material things or means on the one side without detracting incongruously from his wants for rest, recreation and saving of health and strength on the other side. He does not court absolute idleness. We do not try to convey any such meaning. It is an opinion commonly held, however, that he does wish that—that he would like wholly to be in possession of a plenty of the fruits of effort, and to be excused wholly from undergoing effort, in the procurement of them. But this is an erronous opinion, and arises from confounding exertion with *over*-exertion. The fact is, man wants exertion no less than he wants the fruits of exertion. Exertion is as essential to the welfare of man, exertion at labor, as any other thing that is listed among his means of welfare. But man desires his exertion to be, as he desires all his other agencies to be, in quantity and in kind suited to conduce to his welfare. He wants so much for instance, as conduces to the invigoration and strengthening of the system, but not so much as tires inordinately and annoys and cripples and so produces an opposed effect. Idleness is irksome to man, as irksome as overwork. In moderate toil is man's needs and pleasureable feelings, that are dependent upon mental and bodily activity, answered. When man has reached that station of advance in which all his varying wants for toil-made wealth

can be supplied through the moderate exercise of his mind and body, then will he have reached the goal of his ambition to self-satisfy. He will then revel in the possession of a full measure in all his wants. Linked with the gratuitous wants of nature, which are always aright, there will be so much of material products as he shall have a desire to apply, procurable through so much of effort as he shall have a real desire to undergo, and as leaves unintrenched upon so much of time as is wanted to be undergone in relief from toil. All these he will have, toil among the rest, but the toil so potentized that what is wanted of it will bring and leave what is wanted of the others reared or left to grow out of it.

Now a little further upon this same topic that we may not be misled by expressions employed. It is thoroughly proper to say that man wants to *do* all that is in his power to forward the purpose of his existence, because when we say this we do not mean, as is often thought, that he wants to undergo all the exertion his system can bear to procure effort-induced things, productions of labor, for himself. We mean that he wants to do all in his power to make so much exertion as he desires to undergo, bring him so much of effort-induced things as he desires to have, whence all will be right for him. These meanings must be

kept clearly cut in the mind to obviate confusion. Let us go over the ground of man's wants for sake of a clear understanding.

Man wants the self-preservation, enjoyment and development of himself. As he cannot have these without agencies or means(and called wants) adapted to the accomplishment of them, he desires to possess the agencies or means required for their accomplishment. As he cannot possess these agencies or means, or a large part of them at least, through non-attempt, he desires to do that which will put him in possession of them. That is he desires to do that which will give him as much exercise in toil as he needs, as much leisure or relief fromtoil as he needs,and as much toil made things as he needs to accompany as much of the gratuities of nature as he needs, but herein we have a case of the use of the verb "to do," in which it is not by great odds to be construed as signifying nothing but laborious effort; it is to be interpreted as signifying to a large extent exactly to the contrary—the avoidance of laborious effort. And it is in this sense that we are to understand man's efforts to satisfy himself.

Now if we have arrived at a clear conception of what are man's real wants, and how are to be construed his desires to do, and I trust that I have conveyed the idea, if not in the best fashion, at any rate conveyed it, we are ready to go

back to man's great tendency, described again as the propensity to render most efficacious at all times the labor bestowed in given cases, or which is the same in meaning, to render least extensive the effort required in special cases This tendency is identical with the desire of man for self-promotion, and to have what will promote him, and to do what will promote him, as just explained, it being merely a manifestation of the desire under that phase which consists in the selection and adoption of a particular method of promoting his welfare. There are other phases of the desire to be noticed as we proceed. This desire is known under its various phases and shades of meaning as the principle of self-preservation, self-protection and so on, more commonly as self-interest, and it is a ruling force in man, over-mastering all his other forces. Manifesting itself under that particular phase of itself represented by the tendency just under discussion, it is a force which actuates man into stern adhesion to a one steady policy of operating, viz: the policy of going where he can get the most with given expenditure, and it does this all the while there is an active body enveloping the force. As such a force it has so much to do with the destiny of

man, is a cause leading to such momentous consequences, that I desire to call the reader's special attention to its existence and nature. For it is the force which propels man into the accomplishment of his welfare or ill-fare according as the conditions under which he operates are right or wrong.

We now see that man desires to potentize his labor because his deficiencies as to his satisfactionsarise from impotency of his labor. If his deficiencies arose from some other cause he would desire to eradicate the other cause, whatever it was, and his tendency would be in some other direction suited to the eradication of this cause. As it is now, superior potency of labor is what is needed. Man, or mankind, has never experienced the time when he could procure more of the fruits of toil than he desired to possess with less exertion than he desired to undergo. Or, as stated after the manner in which we must interpret his rational desires, he has never experienced the time when he could procure more than was good for him with less effort than was good for him. It has always been entirely the reverse with him. But he has within himself the power to increase his productiveness, and each step in this sort of advance is a step toward the betterment of his condition. He earns more comforts, or needs not to work so hard to get

necessary comforts, or he shares betterments both ways and in all ways. He desires betterments, so we see why he works for betterments. This he will continue to do until he has brought himself up to a state of perfection in regard to his wants, if that be possible, when it can be expected that he will stand on the alert to maintain that degree of potency in his efforts which conduces to entire satisfaction, for alertness will be required as much to maintain the proper degree, and to prevent retrograde, as it was required in the first place to attain to it, and man will always be on the alert to grant entire satisfaction to himself. Nor is the alertness, as a thing of itself wanted to be avoided, for there is a pungent pleasure in watching for one's best good.

CHAPTER II.

METHODS OF WEALTH GETTING.

We have seen that man tends to provide for himself as best he possibly can, and that this is done by maximumizing his productiveness, or, as some may better understand it, by operating in such a manner as to occasion to himself the greatest profit. Man resorts to various devices in order to achieve the greatest results. These devices we may divide into two classes: the justifiable and the unjustifiable. The justifiable devices are those which really conduce to the welfare of man, and consist in attempts to overcome the forces of nature. The unjustifiable devices are those which do not conduce to the welfare of man, but to the contrary, and they consist in attempts to profit one fellow at the expense of another fellow.

There are but two ways in which an individual can come into the possession of wealth, as the fruits of toil are commonly called.

1. By producing it out of natural resources.

2. By exacting it off one's fellow after the latter has produced it.

Profiting by producing out of the natural resources is earning wealth, and such wealth is appropriately called earnings. Profiting by exacting from one's fellow is not earning wealth, and the wealth so procured must be characterized by some other term than that of earnings.

EARNINGS.

By reference to the classified list of agencies on a previous page, we observe that some consist of things to be impropriated by man from without, as the sun, air, food, clothes; that others are things which he gets from within, through certain manifestations of the body, as exertion, rest. Of the means which have their sources outward we notice that some of them, like the sun and air, come to him ready in their primitive state for his use, but that others are such as have gone through the ordeal of task in order to a rendering of them available by him, the task proceeding from him. Now, what do the task-made things consist of? They consist of modified natural elements. They are things which once existed in a raw state, but which have undergone a change in form and place calculated to answer man's needs. If they had not

previously existed in a raw state they could not subsequently have existed in any form because man cannot produce something from nothing, he can only modify. Task-made things then are but prepared or modified things. They may be things that have passed through a series of modifications before being made ready for man's immediate use, or they may be things not ready but under way of completion, but in such case, find them in what stage we may, they are always traceable backward to the raw materials resting in or upon the earth, for from thence must all things for the use of man first arise, or else arise not at all. Holding the terms to that construction which implies real production of wealth, then, there is only one kind of definition for the word earning,—It is profiting by overcoming the forces of nature. Or, it is the task of preparing things out of other things, based upon a beginning with the primitive elements, for the use of man. Or, it is changing things from the forms and situations unavailable to man into forms and situations available to him. Or, it is the attack of man upon nature to force portions of herself to assume conditions, formations and locations best adapted to be laid hold upon and utilized by man. Under such a construction it becomes true that every venture of man which results in rendering something

readier to be applied by man for the immediate satisfaction of himself than it was before, is an act of earning. Also, that every act of earning adds to the sum of things or eases with which a man satisfies himself. Also, that any act which makes no addition to wealth in any way, but consists of a mere giving out of one hand into another is not an act of earning.

By this last method of procuring wealth, viz: exacting off one's fellows, we cannot say there is literally no addition *anywhere*. There is addition, but it is addition to one man's portion, made by subtraction from another man's proportion. But this gives nothing to man in the compact, or society as a whole.

Between these two sources from which man obtains wealth, he has no choice. He must earn it in a contest with nature, or he must exact it from his fellow man, the immaterial quantities in free gifts excepted.

The justifiableness and unjustifiableness of wealth-getting in each of these two methods will be made to appear in the discussions to follow. At this instant we will suppose that all persons turn to exacting off one another, and none engage more in producing new wealth from nature. What would follow? As the consumption of wealth for immediate personal satisfaction could not cease, it would only be a question of

time when all should reach the point of indigence, then perish for want of subsistence. It is plain from this that there is no merit, but actual destruction, in the entire subsistence of the people off one another.

We can look into the conditions which conspire to promote a people's welfare and if we find that under no conditions can they produce more from nature than they can utilize for the benefit of themselves, then any other method of getting wealth by any individual than that of producing it from nature, than that of rendering something less near to the form and place of its primitiveness or birth, and more near to the form and place adapted to the use of man, is thoroughly unjustifiable. For if no other harm resulted there would be this much harm, society has lost of the chance to realize a benefit that might have been hers, had the individual's effort been properly expended.

This harm to society is not to be measured wholly, however, by what might have been her gain from the proper direction of the effort of the individual. It is to be measured by the addition to the loss from inexperienced benefits, of all the evil consequences growing out of the exactions of individuals off other individuals. The notice of these consequences we shall defer until after a notice of some pre-requisite topics.

NO CONTRADICTION.

We have adopted the theory that man's mission upon earth, the part he is to perform toward advancing himself toward some more ultimate end had in view by his Creator, is to be judged by his inclinations, by what he is disposed to have and to do for himself. This theory would have no support if we did not look beyond man's real acts and resorts. Man resorts to measures both justifiable and unjustifiable; that is, he employs measures that work harm to him as well as measures that work good to him. Here is apparently contradiction. But this appearance of contradiction is dispelled just as soon as we look a little further and discover that the *intent* of man, whatever the devices he employs, is to work good to himself, and that he does not work against what we claim to be his mission out of preference, but does so under the delusion that he is working in harmony with that object. He sees what appears to him to be the gaining of a benefit. The real facts and consequences in the case are beyond the vision of his reason. There is no rational person who would tell you that one set of citizens would follow the trade of plucking another set of citizens, if they did not *think* that *they* obtained genuine benefit thereby.

WHY DOES MAN MISTAKE AND ENCROACH?

A just apprehension of the nature of the remedial measures which should be employed for the abatement of an evil, can only succeed a just comprehension of the nature of the causes which lead to the evil. A comparison of the results of proper provisions with the results of improper provisions, for the economic welfare of man, will lead to a clearer understanding of all that pertains to the results and the economic welfare. For reasons such as these suggested, I prefer, before going further, to discover the cause or occasion of man's selection and acceptance of unjustifiable devices, and his willingness or unwillingness to forbear, to profit at the expense of a being whom we might be led to believe he would be deterred from harming, out of fellow-feeling and regard for an equal.

The cause or occasion of these undesirable manifestations in man are, according to my views:

1. The erroneousness of man.

2. The preponderant strength of his self-interest.

ERRONEOUSNESS OF MAN.

Man's mind is so constituted that he is liable to err in his estimates, both as to what are the best methods of gaining advantages and as to what are the best advantages when gained. He may start out for the purpose of alighting upon a coveted landing, and fail of success through lack of judgment in planing; or he may succeed, but be resting then where a more enlightened judgment would reveal to him was an altogether undesirable position. He is a being that makes mistakes.

Man may think that the gathering of the bulk of capital into the hands of a few leaders, with the great mass converted into a state of dependency, is the best form into which society can be organized, considering the nature and tendencies of men. Hence are willing that one class should exact, and another should be exacted from.

Or, they may decline to concede that there is innate equality of rights among individuals, the idea of such individuals being that a class of selects are entitled to the superfluities of the earth, the balance having all their deserts when they have been left a sustenence. Such believers call it justifiable, which we call unjustifiable.

Or, they may suppose that the concentration of capital is inevitable and unavoidable, and that the evils resulting therefrom, however much they are to be deplored, must be borne because they are inseparable concomitants of infallible concentration and cannot be evaded. Such try to make the best of the conditions they are in because they think it hopeless to try for aught else.

Or, they may not believe that the evils of society are superinduced by the exactions of man from man, but have their fountain head in some other source. Such have no fault to find with exaction because they think that is not what hurts them.

Or, the individual who piles up untold millions in his name by the plunder of a nation may fondly imagine he is laying the foundation for his own grand welfare and that of his descendents for all time to come. That is why he persists in exacting. He does not perceive how his conduct reflects to his disadvantage or foresee that he is laying the foundation for the ultimate misfortune, ruin and misery of his descendents by providing for the entire demoralization and destruction of the nation of which his progeny will form a part. If he did, unless his nature was entirely perverted by the monster breeding practice of ex action, he would cease wanting to exact. If he

knew what the future, near and distant, proposed for him, in answer to his prevalent way of doing, and also knew, that under proper provisions for the regulation of society he would get rich none the less rapidly, only all others would not be accumulating so slowly or be losing, he would advocate a provison for the prevention of exaction. He persists in exacting because he sees no harm, but only good in it for him and his.

Man may comprehend what is the real welfare of himself and what is the real cause of his ill-conditionedness, but fail to see his way to the promotion of the one and the extinction of the other. His incapacity enslaves him.

These reasons, based upon his erroneousness, give one account of why man selects or accepts the undesirable devices of encroachment.

It may here be asked by the less pretentious and self-esteeming, "May it not be true that we have our betters, and would it not be a crime to aspire to share with them the superfluities we are in the habit of helping to create but not in tasting the sweetness thereof?"

I say, *No.* Upon those who hold or teach this opinion, it is incumbent to show that there is a distinction in the innate rights of individuals. Until that is done, and satisfactorily, the taking on of superiorness and preferment under the doc-

trine is an unwarranted and outrageous assumption.

What grounds there are for basing a distinction upon is not apparent. That there should be a disparity in the rights of individuals looks to be out of all harmony with what would be the deductions of an enlightened being, bred in other regions than human, and unfamiliar with the social status of man, but whose conclusions were formed after having subjected a specimen from each of the different races and castes of human beings to an inspection of their physique, sensations and other inborn attributes and discovered the likeness between them—discovered that we are born into this world with the same powers of growth and development, and are possessed of the same number of mental and physical endowments, have equally an aversion to pain and discomfort, and are equally possessed with desires and capacities to enjoy. There is nothing in the construction and constitution of man to show why one should be given the lead to the other in the race of life, or why one should be obliged to contribute gratuitously to the equally able. And if distinction in these respects cannot be based upon the constitution of man, it fails for want of grounds. It is, then, no wrong in any man to aspire to elevate himself. What wrong there is, is in the wrong use of means.

Again, it may be asked by another set, the more unsanguine and uncourageous, "Does not man's erroneousness debar him of hope for any genuine and non-chemerical betterment of his condition ?"

It does not. He is not so thoroughly error-going as to preclude all chance for improvement. While errorneous, he is also a being of development or progress. For though he has not been capacitated sufficiently to enable him to obviate all error he still has been endowed sufficiently to enable him to detect and discard errors and to discover and adopt correctives, as time proceeds, and thus to raise himself, step by step, to higher planes of perfection. It is nature's plan. She has chosen that we be enquiring students instead of finished scholars. She has decreed that we be progressive, that is, have power to advance but only through a list of mistakes. In progressiveness there is inherent these two ideas; advancement and erroneousness. It is not all advancement or there would be no check; it is not all error or there would be no advance. It is a commixture of the two, making his journey to be an onward one, but a tantalizing one over the path of error. The attribute of advance forwards him, the attribute of erroneousness perverts him. The one holds out to him the posibility of perfection, the other incapacitates him

from striking boldly out and establishing himself upon the plane of perfection at once. Having power, he advances; yet lacking full power, he must advance step by step and encounter difficulties, disappointments, and delays on the way. No, man is not debarred of hope.

That man is to advance, and not remain stationary like the lower animals of instinct, is a belief thoroughly established in our minds by our knowledge and experiences of the past. But if we were not satisfied from this source, the fact of man's being a creature of advancement is conclusively proven by the nature of his directing talent—his reason. That man might not remain fixed to a one imperfect condition, but advance toward perfection, he is gifted with reason. But it is reason *merely*, for if he had perfect knowledge, he would not advance through trials and error, he would stride up to perfection at once. When it is answered why he was made a progressive being instead of a perfect being, it will be understood why he was given reason instead of perfect knowledge. As it is we must be satisfied with knowing that he is provided with reason that he may weigh, may consider, may make use of his knowledge of the past to guide him as to his actions in the future and so gain step by step. Experience is the ground work from which he reasons. When from experience he

has discovered that certain policies and actions of his are lacking in excellence, calculated to work him harm instead of good, thought is brought to bear, probably first by the least unselfish and most tortured, to discern or devise methods for dissipation of objectionable features and for substitution of improved conditions. In this work men proceed as best they know. As they do not know perfectly they frequently err, so they advance gradually, and they do not always avoid error, so we see them frequently making selection of unjustifiable devices.

What is our remedy, considered from the standpoint of man's erroneousness?

Study, thought, education, dissemination, for purpose of discovery and dismissal of attempts that in their nature are purely futile, and for purpose of discovery and adoption of improved means for the welfare of man. In these are embraced about the scope of effort for the cure of the faults which lie at the door of erroneousness.

PREPONDERANT STRENGTH OF SELF-INTEREST.

The occasioning cause of man's resort to encroachment upon his fellow for self-gain, or rather failure to forbear encroachment, seeing that his fellow is a being like unto himself, lies is

the preponderance of love or regard for self over the love or regard for what is extraneous of self. We have before stated that the inclinational principle of man, known as the principle of self-preservation, self-interest, and under kindred terms, was an over-mastering principle of man's nature. That under a certain phase, there indicated, it moved him steadily and sternly toward the procurement of most for him, at least expense to him. Here is the same principle manifested under another phase—It is love for self stronger than the love for any outward thing or person. We except in this statement the members of one's own family as being connected by ties too vital to the welfare and happiness of self to be considered outward. They are embraced within the sphere of self-love and are to be construed as included in the use of the term *self*. So construing, we are informed by our experience and self-conciousness that the regard or interest of self is preponderant in one—that when the balance is weighted with the two regards, one for self and one for some person or thing else; or with the two interests, self-interest and another's interest, self wins. The preponderance of regard in favor of one's self is the circumstance, I conceive, which accounts for man's motive to exact off his fellow.

We are not to suppose that man takes an ardent

and unmixed delight in causing the distress of his brother, in form and custom, by encroachment upon him, for man is imbued with commiseration and pangs of remorse at his injury of his fellow, especially before his heart has become hardened and feelingless by long practice at such task. We are to suppose that when ill provisions of society invite the evil he does not forego the temptation to encroach, but embarks in the evil, because, while he may like to avoid distress of his fellow he likes still more to satisfy himself. His superior love of self dominates his inferior love for his fellow, and decides him in regard to all of his acts. Over-balancing self-interest, not entire absence of regard for others, occasions him to encroach, or profit at the expense of his fellow.

NATURE OF REMEDIES CONSIDERED.

What is the remedy for the evil of encroachment?

Some will say, "educate self-interest into the background." Many persons believe that if self-interest could be made secondary in strength, or could be got to be dominated over by sympathy, charity, or something that gave to man a superiority of regard for others, then the state of millennial happiness would be upon us. But

those that hold this view, I respectfully submit, labor under error.

For what would be the consequence to the human race if man's nature was suddenly transformed, for instance, so that his self-interest was clear into the background and his love and solicitude for all persons and things save himself were superior to that of the same for himself. There would be the extinction of the human race. Because, if man cared less for himself than he did for *all* objects foreign to himself, he would not so much as perpetuate himself. If he loved to have *all* other things preserved as they existed rather than himself preserved as he existed, he would suffer himself to die of want before he would consume them. As he would not perform the important part of perpetuating himself, much less would he be likely to look after his welfare and progress without superiority of self-interest.

Then we may suppose his self-interest to have been made inferior only to his regard for his fellow man, being left to hold the accustomed sway over regard for the lower order of things. He would still be no better off. For if his regard for his fellow man was his greatest regard, he would spend his time, each proferring his aid to others, only to find all others in the same business with himself, and all to the neglect of home. While this was going on, each mutually insisting

that the other should accept his aid, and none did accept because his disposition would not allow of it, and none did do for himself because his disposition would not allow of it while another lived to do for, the world would grow up in weeds and tares, and no earnings would there be brought forth to prevent man from perishing off the face of the earth. Even if man's love for others was *equal* to his love for self, it still would avail him nothing worthy, for his powers of operation would be paralyzed by inability to choose whom to serve, himself or another. Prospects such as these confront us when we think of placing self-interest in the background, supposing it could be done, as it cannot, and proves the desirability of the superiority of regard for self.

Superiority of self-esteem in man is for a wise purpose. Possessed of a self-interest that overbalances in its influence the other principles of his nature there is precluded possibility of the intervention of affectionate principles to prevent him from going the length of the destruction of the lower order of things when he needs them to apply for his benefit, and there is precluded all chance of cavil between individuals, with its barren results, as to where to dispense aid, for as man is now constituted he has no trouble and loses no time in making up his mind. Each individual finds in himself a person quite willing

and ready at all times to be the immediate and steady beneficiary of all his own efforts. This would appear to be one important and vital function of preponderating self-interest. To prevent man's being delayed in his operations or held back entirely, to the detriment and destruction of himself, by considerations of regard for outward things, or from having his power to work paralized by inability to decide whom to work for. Among a million of his fellow men, whatever may be his regard for any or all of them he experiences no trouble, as at present constituted, in making a choice. Filled with a superior self-regard, he readily concludes that *he* is the fittest subject of all to be recipient of the benefits he can confer, and amidst all things in nature, however much he may desire that any or all of them may be perpetuated, he desires still more the perpetuation and happiness of himself and therefore readily decides that they must yield to his convenience.

It is the plan that the Creator has adopted for getting man to accomplish what he was born to accomplish. He moves man to the accomplishment of his purpose through getting each one to attend primarily to the welfare of himself, considering that the independent welfare of each will constitute the collective welfare of the whole. And that each may attend rigorously

to his own welfare, and not have his powers debilitated by doubt as to whom he should prefer, he has created man so that there is no one he likes so well, and therefore is so willing to serve, as himself.

We see then that the making of self-interest preponderant in man, is a provision for the safety of him, indispensable, though it does lead him into making gain from off his fellow.

NOT DESIGNED TO ENCROACH.

I may be pardoned here for digressingamoment to remark upon an unfortunate idea that may have caused itself about this time to be lurking in some reader's minds. The idea referred to is the supposition that the circumstance which tends man to encroach, affords ground for the conclusion that it is part of the Creator's design that man should follow the act of profiting at the expense of his fellows. Such a conclusion would carry with it the other that the business was permanently irrevocable, and that schemes to suppress the evil were the sanguinary fruits of visionary minds. I cannot concede anything like this. I must claim that we cannot derive this conclusion from that circumstance, because the circumstance of itself does not offer enough for the substantiation

of such a conclusion, and there fails to appear support for such conclusions from any other source. Considering it established that the ascendency of self-interest is indispensable to the welfare of man, the tendency to encroach (the *tendency* not the practice) is to be looked upon as an inextirpatable accompaniament of a necessary provision for the safety of man. Something that will be because the other must be. Viewed in the light that we are erroneous, the indisposition to forbear harm of ourselves by encroaching is just so much proof that we are erroneous Remembering that we are progressive beings, erroneous but advancing, the acts of encroachment are to be looked upon as forces incidentally diverging into wrong directions, owing to present want of knowledge of how to direct and control them, but as forces which are susceptible of righting into usefulness, only we must wait until we have learned how. Our whole self-interest is analagous to many objects in nature, which furnish us useful powers but which have these same powers partially neutralized by others, which issue by the side of them, and are as yet beyond our control, but which are certainly susceptible of being turned into assisting and added powers as soon as we have learned the method of how. We will benefit to the full extent of man's propensity to

serve himself as soon as we get him to divert what powers he expends against man away from man, and thence forward to expend *all* his efforts for self-gain against the forces of nature instead of but a part.

To conclude the diversion, I will say we should fail in our endeavor if we attempted to supply reasons to show that it is a part of the design of his creation that man should prosper at the expense of his fellow, more than temporarily, comparing eras with eternity.

FINES AND PENALTIES.

We see that it is folly to entertain the idea of educating self-interest into the background. I want now to offer a criticism against that method of preventing encroachment which consists in the use of restrictions, fines and penalties. It is by understanding what are the excellences and defects of remedies proposed, or in force for the protection of us, that we are to know what to contend for as useful and what to discard as useless. The people, if they have not a clear idea of all the ways they are being imposed upon, do clearly recognize that they are impiously imposed upon by parties who have fortified themselves in a way to be able to outrageously overcharge and under-pay in their dealings with

others, and thus to swindle the people through the medium of unfair prices. These parties are the managers of the combined or monoplied railroad, manufacturing, mining and other important industries of the nation. The people at large are most anxious to sustain to these monopolies some other relationship than that of victims to their extortion, and the plan popular with them as the plan proper for securing right change of relationship is the one of deterring the monopolies by means of penal codes into observing prescribed bounds in their setting of prices and accommodations before the public. The people would, by means of fines and penalties for infractions of rules laid down for the regulation of extortioning individuals and corporations, scare the latter into ceasing their exactions and into dealing with the public upon such terms as the public should demand. This is the plan popularly held in view by those who, in these times, advocate the legislative control or government regulation of monopolies.

The plan is to be condemned absolutely because it is an unjustifiable device. It is to be condemned by those who would use it at all events, disregarding its unjustifiableness, because it is a thoroughly unavailing measure.

The plan is an unjustifiable device, because the real motive behind the plan—the motive that

would necessarily rule in the event of success—is not one for prevention of extortion, but one for a turning of the tables upon the monopolists, and the bringing about a change of places with them. Some may at first thought be inclined to deny this and to say that the people would be willing to stop at some midway and reasonable limit in their demands upon the monopolists, but those who talk that way do so because they have not stopped to think what kind of a disposition a human being has within him. If we could make the monopolists accede to our demands, would we stop in our requirements short of forcing them to become the merest earners of common subsistence? Would we try to profit any less at their expense than they do now try to profit at our expense? No calm individual would say we would. Our knowledge of our self-interest interposes a bar to any such conclusion.

Well, the object need to be sought is not the shifting from one hand to another of the privilege to extort. What is to be sought is the banishment of the practice entire from society, as an evil monstrous in itself and monstrous in the consequences it entails. As the plan under discussion is a plan adapted, so far as it is adapted to do anything, to subserve the former purpose only, that should condemn it as an entirely unfit plan

in the minds of all those who have at heart the welfare of the people in whole.

But to speak to those who would make use of this plan to escape the ravages of the monopolists, let any additional motives be what they may. The plan is a thoroughly unavailing one, is of no worth as a measure of enforcement because it cannot be enforced.

Why there should be resistance at all to our endeavors is obvious. In the endeavor to enforce such a plan as this we are attempting to make man forbear reaping the largest profit his opportunities will allow; directly antagonizing that strongest principle of his nature which instigates him into seeking the greatest profit; setting self-interest squarely against self-interest. Resistance and conflict follow by the influence of a law as immutable as the law of gravitation. The monopolist would not be prohibited from making all he can make, we would not be prohibited from restraining him within such bounds as we thought to be proper ones. The conflict remains a conflict, with its attendant loss, expense, ill-feeling and mischief, until there is complete victory for one of the parties. That is the only way in which it can end. There can be no compromising or midway standard established up to which parties can be got to go without attempting to go

further. The self-interest of man will not permit of that.

Invariably the contest goes against us. That is cold history. Whoever heard of a law fixing the rate of interest, the conduct of railroads, the amount to be paid for wages, the prices to be set upon monopoly made wares, or for controlling monopolists in any way that held for any length of time or did any appreciable good?

Why we always fail will be plainly understood when we see that the advantages are all against us. We account for the presence of the monopolists in the first place, by those misprovisions of ours which promote their growth instead of dispromote the same. Growth takes place under a fostering care and it is only after they have attained the power to make themselves excessively offensive that restrictive measures begin to be projected against them. Then their power stands them just so much ahead in their contests with the people. They have the monopoly, which in itself is an immense lever of advantage. They have besides, the wealth which the monopoly has brought them; the prestige which wealth brings them, the passion for extorting which the business of extorting generates, and the qualifications in the art of forefending, puerilizing and defying restrictive measures, which a special study of the art has given them. These combined advantages

fit them to oppose such formidable obstacles from beginning to end, to all efforts of the people to legislate them into obedience to demands as to render them upon the whole invincible. Upon discussion in the field, their large profits enable them to employ the best talent to manufacture opinion in their favor. At the polls there is the influence of prestige, money and menace of employes and dependents. In the legislative halls, means, influence and sophistry prepared to order, are not lacking for the purchase, cajolement and deception of those elected pledged to the peoples' interests. In the courts, there are judges and juries to mystify and bribe. As a last resource the people can be defied, for see how well their monopoly stands them in hand. By means of it they can tax up all costs of contest, both the peoples' cost and their own, to the people. This is their grand advantage. They can exhaust the peoples' treasury while they leave their own unimpaired. As it requires monied means, as well as pluck and energy to carry on the contest, this advantage they have alone, not counting others, renders it only a question of time when the people must give up disabled every time they undertake restrictive measures against the monopolists.

About the only objection the monopolists can have to these contests is that it forces them to ex-

pend a portion of their gains as fees to counsel and for corruption purposes, when they might otherwise pocket the whole of their gains as clear profit. On account of the utter unfitness of the contests to minister to any sort of advantage to the people, either right or wrong, they should be abandoned by the latter. To get restrictive codes passed into law requires neglect of regular affairs, war of feeling, and expense. When the codes are enacted, of what worth are they? They are laws of the land some will assert with an air of confidence calculated to amuse people who have watched the effect of a great many of our laws. They are a part of the law of the land when made so, it is true, and an aggrieved individual can have recourse to them for redress whenever he thinks it is to his interest to pit himself, and what he can command, against a power that makes of the art of worrying prosecutions and parrying the effects of laws a special craft, and that can hire and bribe without stint, by virtue of having it in hand to make the people foot the bills. But aggrieved parties do not find to their interest to have such recourse. What little experience some have had in the business is of a sort to discourage most people from undertaking more of it. The laws in consequence virtually become a dead letter as soon as they are passed.

In conclusion, on this point I will say, that the

attempt to legislate monoplies into control by means of restrictions and penalties should be abandoned because such work is only an idling away of the people's time at the people's expense. A better, because the genuine, reason for the abandonment of the plan is, that it is not a plan fitted for the extirpation of the practice of extor tion, since if it could be successfully enforced it would only result in transferring the business of extorting from one set of hands to another set of hands.

THE PROPER WAY.

What are we to do then for the betterment of our situation, considering the circumstances so far brought up as factors to be taken into account? Recognize that there is in man a self-interest, and that this self-interest disposes him steadily and sternly into seeking to realize the greatest profit for himself. Recognize that the making of us thus to wish to profit, is a wise operation, design-ed for the safety and welfare of us. Recognize that self-interest is an over-mastering principle and sways man in the pursuit of his purpose. We will then be prepared to further recognize that it is neither desirable to dissuade men from attempting to gain the greatest profit, or possi-ble to prevent them from getting the greatest

profit their opportunities will afford their getting.

When we have brought all these sources of view to bear upon our judgments, I think we must be convinced that the proper course to pursue is to fall in with the provisions of nature as we find them, and make our provisions to harmonize with them. That is, instead of trying to resist and contrarize man as actuated by his self-interest we should place our self in such an attitude that we will be favorably affected by him as thus actuated. We will then be in a position to wish him all speed in his endeavors, and to give a hand to accelerate him in his progress, since the more a man would do for himself under such provision the more would he be benefiting society.

The specific provision needed to bring us into proper and favorable relations with men, as instigated by their self-interest, is a fair tax law. Did fair taxation prevail men would voluntarily refuse to combine industries into consolidated wholes, because under such form the industries would yield less profit than they would if maintained in independent and separately working concerns. Void the consolidations, we would be rid of the extortion which can only be possible where there are consolidations. We would have, by working in harmony with natural laws of cause and effect, what we cannot gain in any other way.

Self-interest is an over-influencing force in man that, like many other powers in nature, serves us good or ill according as it is met with proper or improper provisions. Good provisions invite good, false provisions invite monstrous harm.

Fair taxation, as a measure of itself, would be a good in the place of the evil of unfair taxation. As a measure to cause effect, it would relieve us of the impositions of monopolists by disinclining people to make of themselves monopolists. It would lead to industrial freedom, because that is the state that would prevail in the absence of monopoly. Under industrial freedom man would from the very condition of things, operate solely against nature and in such manner as to promote the solid welfare of the race.

CHAPTER III.

DIVISION OF LABOR.

A justifiable device of man for the profit of himself is the division of labor. The farmer has his occupation, the merchant his, the manufacturer his, the professor his, the cobbler his, the day worker his and so on through a long list. The advantages of division of labor are so apparent and commonly well understood, as to render it unnecessary to take up time with remarks upon this special phase of the subject. All know to what a deplorable condition we would be reduced were each individual of society forced to produce within himself, and with his own hands, everything he used for the satisfaction of himself.

Division of labor is the root or cause of several of the incidents and affairs which prevail in society. First among these is the necessity to exchange products. As under the system of division of labor individuals confine themselves to special lines of effort, each one produces an excess

of his own kind and has lacks of the kind others produce. To get desires evenly ministered to, then, the business of exchange is brought into requisition, to make excesses in one place go to fill up lacks in another.

Out of this requirement to exchange grows the opportunity to cheat, as practiced through over-charging for what is parted with and under-paying for what is purchased. Monopoly is the main instrumentality used to enforce compliance with the desire to over-charge and under-pay.

POWERLESSNESS TO DISCOVER VALUES OF EARNINGS.

A circumstance incident to the division of labor, or probably more properly to this and exchange combined, is powerlessness to calculate what are shares or separate amounts of earnings. This fact is worthy to be borne in mind as being one of sufficient importance to exercise a deciding influence in certain matters of social regulation. We are without knowledge of, and without opportunity to find out, what are distinctive values or amounts, as educed by different units of labor and capital, during specific periods of engagement. We cannot tell what is a man's real earnings as brought forth by the vocation in which he is engaged. We cannot tell what are the earnings of

capital, land, or money, as evoked by each by itself, and when men attempt to decide what portion of earnings in general belong to profit, what to rent, what to interest, what to wages and elsewhere, they place themselves upon a par with the weather predictors and fortune tellers, for they can do no more than guess from the unknown to the unknown.

The reason we cannot determine what are independent amounts of earnings, is that the agencies or forces concerned in earning do not afford us data for artificial calculations upon the subject, and present provisions do not discover them to us in any other way. The pay a man receives for what he parts with affords no criterion by which to judge of the real worth of the thing parted with, for how could the pay be a guide under a system of exchange in which values are distorted all out of shape by the rulings of extortionate men in power? Values are far out of their proper proportions. That we can be sure of because we are aware that immense instrumentalities of extortion prevail for the making of them so. But what their *proper* proportions are must remain, under present conditions, a quandary to us, because no recourse to some fundamental information to begin with can be had, as a basis for figures and calculation.

This much information our reasoning faculty

lets us into : the total of earnings in the community for a given period is the aggregated earnings of the individuals of the community for the given period; and, as a deduction, the earnings of each individual is the share he has contributed to the aggregated or total of earnings for the period. But while this information may lead us to a better understanding of the relationship between man and his earnings, and, be therefore, of service in its special field, it throws no light upon the value of an earning as an isolated fact. What is the definite or absolute value any one has contributed to the collection or sum of values at any given time, through the injection of his labor, his skill or his capital into productive enterprises, or through industry at merchandising, at medicine, at pulpit, at science, at bar, or at other vocations, is beyond the power of man to decide by *any* mode under *existing provisions.*

Now, if under existing provisions or laws of society *earned amounts*, as embraced in wages, interest, rent, profits or other rewards cannot, as separate entities, be made known to us, have we not in this fact another invincible argument against the theory of legislative regulation of prices? I make this point here again because I know that a prevalent opinion among men is that combinations must be curbed by the fixing of prices for their observance in their dealings with the public, and

because I would have persons see the futility of such a course and abandon it on account of its futility. I have before shown some of the objections to this popular plan of government control, and powerlessness to discover shares of earnings, I urge as another cogent objection to it. For if we cannot discern what proper prices are is it not true that, though we could get the extortionists to accede to our demands, and though our motives were perfect, we would err so grievously as not to make any material improvement upon present conditions? Would we not lack so much that was proper to be observed in our attempts to exercise a fair and impartial discrimination in the setting of prices as to cause us to avert but little of the dangers of unfair distribution? My judgment tells me that were all difficulties cleared from the field but only this one of powerlessness to fore-calculate values of earnings, it alone would make all attempts to regulate prices end in egregious failure.

In view of the difficulties here presented, then, what is the remedy for extortionate dealing? As recommended in view of the difficulties previously examined, the answer must be as before, fair taxation. Fair taxation would generate a state of industrial liberty and thereby open the door for the exercise of supreme competitive processes whose functions it were to dis-

tribute values to the sources of their origin and to do this without recourse to fore-calculation. As this would be affecting the honest object of fore-known values, it would be affecting a satisfactory solution of all that was involved in the attempt to fore-calculate values by recourse to a different and practicable plan. The specific forms of competitive processes will be made the subject of future explanation.

We say that under present provisions man could not by any mode discover the values of individual earnings. How can he under provisions of industrial liberty? By observing the *harvest* of man's effort, or expenditure of means. By seeing what wages, interest, profits and so on, were *after* they had become fixed as compensations or rates of compensation by man operating in obedience to a principle whose function it is to distribute rewards to the sources of their authorship. That is the only way they can be made known to us. When we have instituted a law or regulation that will impel to identity of reward with earnings, then we can learn what earned values are by observing what persons receive as rewards for their energy and capital. Obviously the system which will discover to us the earnings of each person by giving to each a compensation equal to his earnings is the proper system to establish for the government of society, if we

believe that people should be rewarded according to their earnings.

MONEY.

Another circumstance founded upon division of labor is the need of money. As division of labor makes necessary the business of exchange, so there must be a symbolic medium of exchange, a something that people agree shall stand in the place of earnings and register them, and be a sign that the bearer has parted with so much actual value to society somewhere, and is entitled to so much value from society elsewhere. The amount of money needed by a people should, like rates of wages, profits and so on, be left to the working of natural laws. No set of law makers or other men can tell us how much currency we should have. It should be left to the decision of natural laws, under a provision which brought natural law into the ascendency. Reference will be again made to this subject.

WORTHS OR VALUES.

Worths or values may be divided into natural, artificial and earned. Natural worths are such as are caused to be displayed by man subjected to the free operation of natural laws. What natural worths are we have no certainty that we

have any knowledge of, because the operation of natural laws has always been thwarted by exactors.

Artificial worths are such as are made in the interests of exactors. Under a system of unfair distribution, or reward out of harmony with earnings, it is not known whether any compensations are ever rated at their real values, while a certainty exists, that many of them are rated widely, and some very widely, of their real values.

Earned worths are the values attaching to services or articles by virtue of the amount and quality of energy undergone or expenditure made. Under the influences engendered by a state of industrial liberty, natural worths and earned worths would nearly coincide, that is, the valuation, buying and selling of things would be at their natural worths and very nearly always at their earned worths. This is because discrepancy between natural worth and earned worth would only occur where people had miscalculated as to supply and demand, or where freaks of nature interfered with people's calculations. Man's powers of foresight is sufficiently acute, and the responses of nature are sufficiently uniform however to prevent a wide breach being made between supply and demand where there is freedom of operation.

CAPITAL.

Another justifiable device of man for accelerating his welfare is the diversion of a portion of his productive efforts toward supplying himself with *means of help* at earning. Thus man does not occupy his whole time in producing for his immediate personal wants: he occupies a portion of his time in supplying himseif with tools, machinery, and all sorts of appliances that can be of help to him in ministering to his personal wants. These helping appliances are what are called his capital. They do not minister directly to the satisfaction of his personal wants, as food and clothes which can be eaten and worn; they minister indirectly by being the work animals, tools and machinery that aid in the procurement of food and clothes and other things which satisfy his immediate wants. The special value of capital consists in its power to enable man to produce faster and better, and with less hardship to himself than he could do without it as an instrument of help. Capital is a want of man as much as direct subsistence like food, and clothes and shelter. If we call man's direct personal wants his *immediate* wants, capital can be appropriately called his *mediate* wants.

Man's power to earn or produce is greater than his power to utilize or use up, if both pro-

cesses are addressed to a single or a stationary class of articles. Thus, place a set of men and their families out by themselves and order them to produce of corn, meat, and one style of clothing and shelter, and they will under ordinary circumstances, and with an ordinary amount of means and effort, produce more than they can eat and wear and hide themselves under. This comes from nature's responding with a greater force than that with which she is struck—from her repaying whatever expenditure is made upon her *with interest*. It is the over-respondingness of nature that gives birth to capital. If nature were not thus over-responsive or gain-giving, there could never be any capital or increase of capital, and therefore no progress in the human race. If savages had never had time to spare, outside of what was needed to feed and clothe them in the simplest manner, to invent and construct tools and implements, we would be savages still. Capital is savings, what can be spared as a helper to production *after* present wants are satisfied.

The over-respondingness of nature, combined with man's power to devise against nature, conspire to make man as a producing agent, vastly more than equal to the task of providing for his stringent necessities. This is proven by the fact that the enforced periods

of idleness, so regularly precipitated among so many, the unlucrativeness of capital diverted into improper channels everywhere, and the disadvantages that we labor under from wrong government generally, while furnishing, as they do, reliefs and clogs and stays to accumulation, not only do not deprive us of a living, but leave us to be periodically overwhelmed with all sorts of over-production. These facts give evidence that our capacity to produce necessities is vastly ahead of our need for necessities.

AMPLIFICATION OF WANTS.

But the statement is not made that man cannot consume as fast as he can earn, it is that he cannot consume the total of one line of common support, like that of necessaries, if all his energies are confined to procuring in one line of common support. Man has it in his power to amplify his wants, to enlarge his capacity for receiving satisfactions, and to invent new ways of being gratified when he finds that his means are in excess of those needed for accustomed wants. This power to amplify affords a permanent outlet to the fullest development of his power to earn. It enables him, when free to act out the designs of nature, to expand his wants, both mediate and immediate, with a de

gree of celerity that will prevent them from ever being overtaken by the expansion of his earningpowers.

The amplification of the wants of man may be divided into that of his immediate, or bodily wants, and that of his mediate or capital wants. The amplication of the bodily wants answers to the development of the desires or needs of the person. It consists in the refinement of existing ways of receiving satisfaction and the adding on of new ways of receiving satisfaction. Thus man, when he finds that he can earn more of coarse or rude clothes, food and shelter than he needs has not to idle away time on that account. Finer clothes, more delicate and varied foods, more comfortable shelter will add to his enjoyments and length of life, and of these it requires more labor to procure than it does for things coarse and rude. Then, man loves to please the ear with music, the sight with paintings, the taste with adornments. He loves to afford himself books and newspapers, to appear respectable at church, and to exchange hospitalities with his neighbors in becoming style. He loves to be so fixed with abodes that he can properly protect himself and everything about him from the inclemencies of the weather. He desires to be relieved from over-toil, and to be able to spend a proper proportion of his time in

recreation and leisure. He wants to be able to assist in providing such sanitary regulations as are an effectual safeguard against ill-health. He loves to educate his children; he loves to travel and to see. He wants, in short, the country to be rich, and every home a rich man's home. Well, all these make such an enormous draft upon his earning power, to say nothing of unapparent wants, or such as may be expected to arise when existing ones are satisfied, that, so far we can see, he may invent and devise to the end of the world, and yet never be nauseated with surplus or compelled to be unwillingly idle.

The amplification of mediate or capital wants, for such there must be also, answers to the development of means and machinery for the construction, preparation and protection of things answering to the refined and added agencies or wants of the person. For the manufacture of finer clothes, improved machinery is needed. For the production and preparation of finer foods, and in greater variety, improved tillage as well as improved machinery and facilities are needed. Indeed expansion of personal wants can only be had as there is kept up a corresponding expansion of capital to be used as an instrumentality in ministering to the former. If we would enjoy the comforts and advantages of good transportation,

we must have good means of transportation, such as good roads, good bridges, good conveyances. If we would have the enjoyments, and comforts, and protection of good shelter we must have good sheltering structures, as good barns, sheds, warerooms, storehouses and other conservatories. If we would have superior goods we must have superior factories and tools for the manufacture of them. If we would have *all* our wants supplied it is essential that we have machinery that will work rapidly, as well as delicately ; that the soil be made to yield in abundance as well as in variety, that transportation be brisk as well as certain and safe, so that the least possible amount of time need be taken up with each particular want. We see then, that there is a scope for the increase of man's mediate means as well as for increase of his immediate means of satisfaction, which makes it additionally clear that there need be no overplus on account of the inability of a people to consume as fast as they can produce.

It is true that we have over-production and unwilling idleness of men on account thereof, but that comes from another cause than over-earning power, a fact that is rendered sufficiently evident when we remember that the idleness is not joined with the enjoyment of superabundance, a connection that would certainly take place if there

was real and natural over-production. Over-production and idleness aside of indigence and starvation will never afford grounds for the building up of a theory, except a most hollow one, that people are producing more than they want. Nature has so constructed man as to relieve him from necessity of ever being afflicted with compulsory idleness of self, or with sight of waste of the fruits of his industry, where the conditions of society are aright.

BALANCE BETWEEN CAPITAL AND NEED OF IT.

Where there is freedon of pursuit the extra product, the part resulting from man's over-earning power, will not be devoted wholly to the increase of personal gratification or wholly to increase of capital. It will be divided proportionately. If all extra product from any time forward were applied to the immediate gratification of man, there could thenceforward be no increase of capital and therefore no more improvements in the gratification of men. Such a mode of doing would not be practiced by men, however, since their dispositions impel them to continuously improve and develop themselves. If all extra products were applied to increase of capital alone there still could be no improvement in the condition and development of man, since

capital is not the means of gratifying man's immediate wants, but the means of producing the means to gratify his immediate wants, when so used. Man wants advance, therefore is actuated into the proper use of nature's provisions, viz: progressive earning power, to promote his advancement. This proper use consists in dividing the extra product into two such proportionate parts between mediate and immediate means of satisfaction, as to cause there to be neither lack nor surplus in either place, but perfect balance.

I assume of course, that there is no distinction in the innate rights of individuals, and that in that expansion of sources of satisfaction which will serve to absorb all the products of effort, one individual should not be made to give way to another. If you affirm and enforce the principle, however, that the masses of industrious are well enough provided for when they are sheltered in the most must-needs-be manner, clad in the merest sufficiency and have their throats made the road way of the commonest diet; if after these barest sufficiencies have been produced you disallow them the right to divert their efforts to the betterment of their conditions by improving the quality of their homes, their clothing, their food and all that relates to themselves; if none are entitled to any betterments, except a self-constituted upper class; and if after the latter's de-

mands for betterments are satiated the balance of the efforts of the common herd are to be confined to the production of such things as are adjudged to be the only fit things for them to have, then the people cannot consume as much as they can produce. Because, as has been shown, man is vastly superior to the task of providing for his commonest necessities. So productive is man's effort that a portion of the people, far less than the whole number, or the time of all far less than full time, devoted to the purpose, is sufficient to provide a full supply of the necessities of life. Then as has been said, if the necessities of life are all that the masses are to have and produce for themselves, there will be an over-supply of necessities. If on the contrary, it is believed that no man has rights over another, and a law is enforced which gives to each his deserts, there will be no surplus of necessities. Because the spare efforts of men will be directed to the betterment of their conditions. They will make provision, first, for better homes and better living, then for improvement of their intellects and the gratification of higher wants. The labor and capital directed to these purposes, will be withdrawn from the production of the commoner necessities and in proper proportion, the law of supply and demand regulating, gravitation like, the portion to be devoted to each department of effort. If

misjudgment resulted in a surfeit in one direction there would be speedy adjustment to proper ratio by the tendency of production in an unfettered condition to balance. There could not be over-production in any direction that would be more than incidental, and amenable to quick correction.

Where the people were priviledged to expand their satisfactions as fair dealings would allow, they could never glut themselves with their accumulations. Such a thing as the ability of a people to produce more than they *want* is an absurdity in reasoning. No people were ever satisfied that they had as much as they wanted, the trouble is that labor and capital have been so diverted astray as to allow on the part of the masses, neither the quenching of existing wants or the growth and satisfaction of new wants. With all the great hue and cry about over-production we do not find that the laborer is overburdened with caring for the abundances of support. While of the things he has helped to produce, like lumber, nails, house-building materials, house furnishing, clothing and food there is an over-production, of these same things he is sadly in need, and he would purchase freely of them, that he might have a home and a reasonable share of the comforts belonging to a home, did he receive the amount of wages which a fair

distribution would allow. The farmer is not seized of a lack of wants. Were he not compelled to pay a bonus to the banker in extra interest charge, another to the railroad in extra transport charge, another to each of the several manufacturing combinations for extra charge upon lumber, nails, farm-tools, and many articles of food and clothing, he would, through his savings, become a much larger consumer of lumber, nails, farm-tools, clothing and of material to keep up the fertility of his land, for he is much in need of them all. Other instances embracing the mercantile, manufacturing and other independently operating concerns need not be given to show that the mass of the people are in need, many of them in dire need, of the articles now in over-production, and that lack of consumption does not come from lack of need but from another cause. A little less to unfair profiters and a little more to the victims of unfair profiters, would go a long way toward relieving us of the evil of over-production. And a system of wealth division that allowed to each individual a reward that was even with his earnings, would prevent over-production entirely, by permitting all to engage in the satisfaction of their higher-wants, when their commoner wants were quenched.

FALLACIOUS CAUSE FOR HARD TIMES.

Here, I wish to call attention to an argument of common occurrence. We frequently hear it urged that over-production is the cause of "hard times." The theory is advanced by those who hold, I presume, that we cannot develop our capacities to consume as fast as we can develop our capacities to produce. Now, while it might be plainly understood that excess of earning over consuming power might be the cause of partial idleness of ourselves, does it not appear odd that the power to over-produce, should be in and of itself, as held, the cause of "hard times," such as lack, stringency, and close living generally, with absolute destitution and want in many places. Because we have produced too much of the means of subsistence the masses are precipitated into a state of general deprivation and inability to get. Because there has been over-production it has become extremely difficult for the people in general to make both ends meet. Because we cannot devour at once all we are enable to create, a large portion of our population must be afflicted with a condition bordering on famine. That is the theory. But is it not queer doctrine? Does it not appear altogether more reasonable to believe that it were possible for us by our na-

tural industry to create more than we could readily consume, that the natural reward would be a period of leisure and rest in the enjoyment of plenty? It does appear so to me indeed, and the latter would have to occur, I am certain, if the former did occur under the sovereignity of fair distribution.

The advocates of the doctrine that over-production is the *originating cause* of hard times fail, I think, to take into account an important factor imbedded in the doctrine of supply and demand. If one of them were asked what it was that caused demand, I think he would answer that it was *need.* He would say the people did not *need* the food, clothing, and many sorts of commodities that exist in superabundance, or they certainly would not let them go unconsumed. And I think if he were asked again why we have over-production, he would give as a sole cause excess of supply over need. The answer would not harmonize very well with the existence of actual need almost everywhere, and of intense need in many places; still, I think it is the answer that would be given, as well as vigorously supported by the champions of the doctrine.

Their error consists in ignoring *means* as a factor in creating demand. Both need and means are required to make demand effective. The one

enables you to *use* a thing, the other enables you to *get* the thing. When people have both need of certain articles and means to procure said articles, then does there exist the condition which makes an effective demand for those articles. Neither means or needs standing by themselves will do the work. Means alone will not create demand. The exactors have an extensive surplusage of means, but they can only wear so many clothes, and can only eat so much food, and can only spend so much for luxury and aggrandizement. Fifty thousand of them might consume in extra-extravagances the gains they might make off of another fifty thousand people, and thus prevent over-production, but fifty thousand exactors cannot consume the surplusage they can exact off of fifty millions of people.

Need alone will not create demand. The crying wants of an impoverished and enfamined populace will not of itself create a demand for wheat, because a people cannot get wheat without means. Both needs and means must enter into that condition which is the condition precedent of effective demand. Those fail to see this, I think, who claim that the over-production is the excess of supply over need.

Need represent the capacity of the people to consume. Means represent the power of the people to purchase. The few who have appro-

priated an undue share of the people's earnings cannot themselves use them up, hence over-production. The many who are in need of the commodities of over-production, cannot satisfy their needs for want of means of purchase, hence hard times. Over-production does not occur from excess of supply over general *need*. Over-production is not the direct *cause* of hard times. Notice of the question in this relation is only called for, because the opposite of these denials are seriously mantained by persons of rational mind.

CHAPTER IV.

COMPETITION.

Another device, justifiable, resorted to by men for the greatest profit to themselves is the installation of themselves into the better paying vocations. People are inclined, not only to select expedients for making most profitable the particular vocations in which they are engaged, but to make selection of those vocations which they can make most profitable to themselves upon the whole. The rivalry between men to identify themselves with the better paying vocations is what is called competition. Were competition entirely free and fair, in other words, did *all* men possess an equal amount of liberty and restraint in their endeavors to identify themselves with those pursuits which they conceived they could make the most profitable to themselves, some most charming results would follow. What those results would be, as well as what would be the processes of their accomplishment, can best

be learned by fixing definitely our antecedent conditions, and observing what would be the conduct and consummations of men under them.

The people of present society we may divide into two classes: first, those who, by reason of possessing certain advantages reap continuously larger than the average rates of profit upon their undertakings; secondly, those who by reason of being taken the advantage of, do not reap larger than the average rates of profit, on the contrary may be reaping no profit or may be losing. The first class we call exactors, because they get their higher than average profits by exacting an unfair share from the collective earnings of the whole people; the other we call, in contra-distinction, the common people or masses, because it is the great body of people who are made the sufferers of exaction.

Project into society a law, operative and efficacious, that gives to every individual absolute freedom to engage in any useful enterprise he sees fit to, at the same time that it prevents him from keeping any one else from doing the same thing. Provide this law which does not permit individuals to effectively combine industries for sake of exclusive control, and which does not permit individuals to effectively prevent others from coming in and competing with them upon the grounds they would monopolize. Provide

this law which makes individual or partnership industrians prefer to act upon their own responsibilities and prefer to rely upon their own resources; and which causes them to expect no aid from others, and have no fears of interference from others beyond what competition alone occasions. Provide thus for complete self-dependence, self-reliance, non-artificial restraint, equal priviledgedness. To cover all, in short, provide, through the agency of fair taxation, for that industrial freedom, which makes possible the exercise of free and fair competition. Then we will *have* free and fair competition, the workings and consummations engendered by which we may trace and define.

Following fair taxation, an early event, among others, would be a shifting about of energy and capital which had for its effect the reduction of all industries to the same basis of profitableness. That is, there could not long continue a set of good paying pursuits juxtaposited to a set of poor paying pursuits, because migration would at once begin from the poorer paying into the better paying pursuits, and continue all in the same direction, or back and forth as the occasion required to rectify mistakes, until all pursuits were brought to a level of profitableness. This movement the people would be impelled into by that disposition of theirs, admitting of no ef-

fective exceptions, which constantly urges them to go where the most can be gained. The movement would be permitted by that provision which dissolved all danger of undue interference from those who before would have forced to ruin and abandonment weak competitors by temporary under-priced sales, bargains for railroad discrimination and such other means as are possible while combinations have sway. Prices that had been kept up by forced under-supply would be brought down to the average by the attraction of rival producers until the supply became normal. Prices that had been kept up by mere resolve of greed, would be brought down by the endeavors of ex-exactors to offer the same inducements as rivals if they would hold their trade. Prices that were unsatisfactorily low would be brought up to the average by desertions of those who had availed themselves of the opportunity to engage in vocations that were better paying.

What would be the intermediate movements of energy and capital for the establishment of average, we cannot predict with much degree of certainty, because we cannot now very well guess how much industries are distorted out of their natural relationships, or how much more the distortions are in one direction than in another. Were natural laws just now brought into the

ascendency, it is quite probable that the turn affairs would take, would be the occasion of many surprises to society. What we can predict with safety in general is, that in the event of industrial freedom, migrations of men and capital would immediately start up, and continue into the better paying pursuits while they were better paying, out of them again when others became better paying, and that the migrations would cease when pursuits had all been brought to an equality in rate of profitableness, only to begin again for re-establishment of equilibrium when non-equilibrium had occurred. We can safely predict this, because common experience, and our knowledge of ourselves teaches us, that one of the forcible and fixed functions of free competition is to reduce and mantain industries to and at a level of profitableness.

REWARD WITH EARNINGS.

If there is any system which will guarantee to every industrian the even reward of his earnings it is the system which throws each person upon his own responsibilities, makes him depend upon his own resources for his gains, disinclines him to combine with others for sake of unnatural elevation or lowering of prices in the combined interests, forbids him to or prevents him from forcing others to desist in their competition with him. Under

such a system, as man cannot get, one from the other, he is bound to get from nature,—bound to get by adding to the collective values as opposed to transferring to his hands the already created values of others. The system which disallows any encroachment is by the very nature of it the system which allows to each a reward equivalent to his earnings, and thereby discovers to each, as has been before explained, what is his share of earnings.

The rates of reward which free competition would disburse, are not, as some might suppose, exact sameness of pecuniary return upon the unit for all similarly applied earnings or for all capital engaged, for free competition takes notice of and allows for differences of ability and of capital adjustment, and for differences in riskiness, healthiness, agreeableness and permanency of pursuits. It settles with all parties according to *real worths* expended, as also it decides what are the real worths. The extra energetic and capable command their real worth while the less gifted are not denied their full share. Allowances at all times are to be made for incidental misjudgments of men and incidental irregularities of nature, which, while they occur, are nothing compared to what unfair distribution causes, at the same time that the hardships they entail are minimumized

by the tendency of free conditions to promote quick corrections.

Profitableness of vocations being equalized, all rewards of course would be proportioned to value or amount of expenditure. As it is the disposition of nature to repay man's expenditure upon her *with interest*, the *natural* effect of proportional reward is to enrich all people in common. Enrichment aside of impoverishment is a *sure* sign of misgovernment.

SUPPLY AND DEMAND.

The work of equalizing the profitableness of pursuits (and reward with earnings) is inseparably joined also to the work of equalizing supply with demand. This is occasioned by the impossibility of consummating the one event without consummating also the other. Why, we may proceed to show.

The cost of creating an over-supply is not proportionately less than the cost of creating an even or an under-supply, while an unconsumed excess is the occasion of loss, sometimes of enough loss to wipe out all profits or to bring one into deficiency. Again, a great share of the things furnished for the consumption of man are of such a perishable nature that if not consumed as fast as they are prepared they entail

absolute loss upon the producer to the extent of the cost of their production. Again, less perishing and long lasting articles need to be disposed of in due season that capital may not be bound up unutilizable and unremunerative, and that funds may not be wanting for the furnishing of a new season's supply. Again, over-supply wants to be avoided because the advance discovery of over-supply impels to a lowering of prices upon that portion of products disposed of, which adds to the loss occasioned by there being an excess which is never disposed of. For instance, a preponderance of articles of any given kind being prepared, the sluggishness of trade soon opens the eyes of owners to the fact of over-supply in their particular line. The too numerous gardeners or shoe manufacturers foresee by the way patronage begins, that it will not be sufficiently active to take up commodities in such a manner as to obviate loss from deterioration and decay, to provide funds to meet current bills, and to supply means to prosecute vigorously the fashioning of supplies for the year to come. The over-crowded grocers discover from the sluggishness of trade that the sale and replenishment of goods is going on twice as slow as it should to yield at current prices, the customary profit. As soon as those caught in over-supply discover their situations, they know what they must expect

and what they must do. Any one of them knows that if he should attempt to maintain standard prices under such a situation, he would be punished for his folly by being allowed to permanently retain his wares and to suffer greater loss than if he sold at a discount. But no one of sane mind attempts such a suicidal course. What each does do when he is caught in such a situation is to adopt the course of avoiding the greatest loss by enduring the least loss. He offers inducements to stimulate patronage and reduce to a minimum, waste and non-purchasers; also to vie with others whom he knows are controlled by the same motives as he.

But the efforts to minimumize loss, when caught in the predicament of over-supply, is not a profitable business, therefore the people labor not to be caught in such predicament, on the contrary, labor to keep supply even with demand.

We see then that over-done pursuits are the poor paying pursuits ; that over-supply and poor pay go together. Therefore, when people leave poor paying pursuits because they are poor paying, they leave them just as much because they are over-supplying, and when they leave over-supplying pursuits they render them better paying by withdrawing agencies of supply and adding to the agencies of demand, and

when they have withdrawn until the profitableness of the pursuits they have left are rendered equal to the average, they have pursued a course which has reduced the supply of the fruits in the discarded vocations to a harmony with a demand for them.

These several harmonies caused to take place are not the direct objects aimed at by those who bring them about. They are the *results* of the forcible promptings of every individual to serve himself best, combined with the provision which forbids any one to interfere with another in his fair and rightful attempt to carry his promptings into actions. They are the result of a desire of each to attain to the highest standard, combined with the impossibility of all attaining to the highest without each getting equally high. They are the results of the calculations men form to avoid making expenditures in one direction that will be less remunerative than expenditures in another direction, which calculations embrace considerations referred to above, relating to unsales, total sales, slow sales, quick sales, dangers arising from over-supply and other mis-attempts. Men prompted by their propensities and guided by self-saving considerations, do what *ends* in balancing rate of profit with rate of profit, reward with earnings and supply with demand. When balance has been

established, people have no further to seek, with respect to these devices, for the improvement of themselves. Each is doing the best it is possible for him to do, so far as concerns what is to be gained through industrial harmony, and he must be and is content to rest satisfied on that score while perfected adjustments continue.

I desire now to call attention to some other facts pertaining to these harmonies.

The harmonies caused to take place, are, in the first place, harmonies of earnings. The dispensing of profits, rewards and supplies in their harmonious relationships refer to the distribution of earnings in their proper proportions. It all has to do with earnings.

All earnings are utilized, manifesting that freemen appreciate what is the true object of endeavor and getting.

People have their leading wants satisfied. That is as much as is conveyed in the idea of harmony of supply and demand. It is questionable whether society will ever be able to satisfy in full the demands it will ever and anon be making against itself. No such possibility is now observable. Demand is equal to supply when commodities prepared for consumption or utilization can be parted with at averagely remunerative rates within such a period after they are prepared as to prevent perishment of goods,

need of funds for continuous or reasonable operation, or there being in the way undisposed stock when the time is past due for the way to be cleared and ready for the admission of new supply. In other words equal demand is due and reasonable exhaustion, in order and continuously, of supplies of the people in satisfaction of their *leading* wants. That is as much as we can say of demand in view of the people's extraordinary power of amplification of needs.

Seasonable or normal consumption of supplies is due to these two circumstances:

1st. The carrying of each one's efforts and capital hither and thither, or the retention of them in place, in free response to the desire to comply with demand.

2d. The making of each one's earnings the standard by which is measured his gettings and givings.

In as much as the people at best are capable of only partially supplying their needs, there is no possibility of any industry *naturally* existing which produced something the people did not want. The competition to get into good paying businesses would kill them all off, and leave not an item of supply to come forth that did not, under all ordinary circumstances, have an appropriate niche to fill. Under such conditions there could

not be anything but a round and round of industry to try to keep up with demand.

As competition rewards according to earnings there is no way to get supplies distributed to their appropriate places except to govern the amount given to each by the amount he has earned. You then exhaust supply, for if persons are rewarded in full of amount earned it takes all earnings to reward them.

What is distributed back to each governs the amount each can bring foward again, the kind needed being regulated as before by the effort to produce for best pay. Again is the value taken back by each governed by the amount each has brought forward and the supply exhausted in making full compensation.

The competition to secure greatest profit compels each individual or corporate industrian to apportion and assign his energies and capital as public wants dictate. The expense of keeping up this energy and capital thus arranged calls for the amount of values they contribute.

The subject becomes narrowed down to one of compatibility of needs with means in the individual. Each industrian has become so engaged that he needs all his means will get him, yet has no stern needs that his means will not supply. Each possesses needs and means to match, can produce in harmony with his needs and consume

as much as he produces, thus keeping the field of his wants filling up and emptying by a constant process. This is harmony as respects each unit of society. The situation of the units of society images the situation of society as a whole.

For the further illustration of this subject let us make use of an individual whom we will name John. Let us suppose John to engage with a capital of $175.00 in the beginning of the year 1880.

John, with the aid of $175.00 earns $600.00 in 1880. He uses $400.00 and saves $200.00 for 1881.

John, with the aid of $200.00 earns $650.00 in 1881. He uses $425.00 and saves $225.00 for 1882.

John, with the aid of $225.00 earns $700.00 in 1882. He uses $450.00 and saves $250.00 for 1883.

John goes on thus, producing within the bounds of his earnings, as likewise he consumes within the same bounds. We observe that John need let no value that was designed for him go unused for want of purchasing capacity. Nor is there any danger of him and those engaged in the like business producing out of all proportion to the demands for their wares, as they might do in any season after their capital was suddenly doubled by the chance to extort unfair prices. Kept within

wholesome bounds and aided as they are by the proper proportion of means they will exercise the best possible judgment and consistency in catering to public demands.

Owing to the over-responsiveness of nature, we are made to observe that John grows richer year after year. Owing to his desire to live better at the present and to improve his future condition also, we are led to see that he divides his increase of wealth between himself and his capital. As he grows richer he will dispense with the wearing of shoddy goods, and the eating of adulterated foods. He will *demand* good goods as well as increased varieties. As John does, so does all his fellow beings. John is only an image of the rest, big and little. They demand good goods of him just as much as he demands good goods of them. But John is equal to the occasion. He can furnish them what they want for he has the means of supplying himself with the facilities, like improved stocks of raw material, improved buildings, and everything else needed to supply in compliance with the improved demand. As can John do, so can every other industrian in society do. As does all industrians so does society.

We see, then, that free competition is not only a harmonizer of earnings, but an employer of harmonized earnings for the maintainance of harmony. It gives each industrian no more than

is compatible with his needs as a producer and consumer, at the same time that it supplies him with a sufficiency. It provides for balance and consistency throughout by check and enablement of each person within and up to the possibilities his earnings confer. It makes harmony and the getting of harmony mutually responsive and promotive.

OVER-PRODUCTION.

I have explained that, left entirely free to choose how they will expend their energies and their capital, people contain within themselves the forces for so adjusting their affairs as to make all things harmonize. I have shown, also, that in the absence of industrial freedom there can be nothing but the most aggravated disharmonies, because that absence promotes the lifting into power and control those who will do all they can to create in their favor disharmonies. And I have shown that, without free competition, earnings could not be harmoniously disposed, though man strived to his utmost for such a consummation, owing to his powerlessness to decide in advance, whenever a reward is to be disbursed, what should be the size of the reward. I may now proceed to notice in juxtaposition

what are some of the dispensations and engagements of anti-free conditions.

The more visible effects of unfair distribution, such as the self-denial imposed upon those who must part with portions of their earnings without equivalent, I shall not make the subject of attention here, but shall proceed at once to examine into the subject of over-production.

Over-production is the champion representative of unfair distribution, and becomes of itself an occasion and instrumentality of a train of miseries worse in character than those which unfair distribution immediately gives rise to.

Over-production is over-supply, the excess of supply over demand, occurring from the introduction into society of devices for the appropriation of earnings without giving value for them. The fundamental devices for this work are unfair taxation and unfair exchange. Those who do not pay their full share of tax save more than their proportionate share of earnings, or make a gain by getting service for less than it is worth. Those who exchange unfairly make a gain, consisting of savings of their own earnings, or of overdue proportions gotten from those with whom they exchange. Allow one class, and a small one, as it always is, to gain continuously from all the rest in their dispensations and dealings with all the rest, and you generate a morbid

quantity which the class getting it cannot use either for ordinary personal consumption or profitably as capital, and which the class from whom it was taken cannot use in any natural way, because it is no longer theirs to use. It stands out as an independent quantity to be used for some other purpose than the natural operations of production and consumption. It is a *gain* in the ownership of those who have exacted it, but there is nothing like a consideration or value received for it in the hands of those from whom it was gained. It is a portion in stake over and above what could be paid down for from current earnings if those from whom it was taken were compelled to purchase it at once.

Where and in what forms does this gain exist? There is in possession of the exactors, when a season's operations have been concluded, first, retained on hand of their own make, products which would not have been retained had they let their wares go at earned valuations; secondly, in possession of them of the people's make, products which they would not have got had they taken the people's wares at earned valuations; thirdly, cash and debt evidences surrendered to bridge over the deficit the hard terms of the exactors created in the people's expense and profit account. Each season intensifies matters on both

sides—gives the exactors more surplus, creates on the side of the masses greater vacuity.

If the exactors made way with their gains they could prevent over-production, but they cannot do this in any ordinary way Increased expenditure for food, clothing and luxuries by a limited number of exactors will not suffice to make way with the gains that can be absorbed from the balance of the nation. They might by actually destroying their gains, prevent excessive accumulation, and keep the masses continuously engaged at furnishing new supply. But something like this would have to be done. They cannot use it as capital. If in one year they parted not with all they produced what sort of incentive is there for increasing the production of another year?

They do increase their capitalistic investments however. Capital abhors idleness and so finds investment. Railroads increase their mileage. Factories enlarge their plants. Speculators engage in all sorts of false enterprises, but it is only a wild hunt for gains—gains standing opposed to vacuity—to find a way to make themselves remunerative. How well such investments succeed is answered by telling how well over-investments succeed.

Considered with reference to legitimate use or employment we can truly say that *gains* can

neither be enjoyed or employed by those who get them. Their only function is to develop over-extravagance, over-production and over-investment as opposed to over-indigence, under-consumption, and under-investment.

Another point or two about over-production. If we consider the gains of exactors as so much taken from the peoples' earnings, we can consider what the people retain as so much saved out of their earnings. That being so we can state that to supply themselves with the necessaries of life the people must produce an excess. Where persons have had to contract their consumption of essentials on account of the severity of exaction, the excess stands opposed to states of real deprivation, or lack of necessaries. This excess would have been, in the absence of exaction, consumed. In the case of persons who have saved enough to supply themselves with necessaries, *their* excess is the product of exertion that would have been devoted to the satisfaction of higher wants. Thus it is seen that over-production represents a double portion, a portion corresponding to essential needs and a portion in excess of essential needs, and which would never have been but for exaction.

Over-production consists mainly of staple commodities. Why? Exaction is applied in the direction of exigency of demand. The climaxic desideratum of productive efforts is a quick

market. If immediate or seasonable disposal cannot be had the nearest approach to it is sought. Though the commodities of over-production are not seasonably disposable, that form in which they find quickest disposal is staples, or things adapted to supply peoples' commoner wants. This arises from two facts; first, the commodities are destined to be consumed by the people; secondly, exaction, through impairment of the purchase power, confines people to the consumption of necessities. It may appear like an anomalous expression, the saying that what the people are prevented from immediately purchasing they are destined to purchase and consume in the end, but paradoxical as it may seem, it is true, as will be fully explained, and as has been indicated in stating the requisition precedent of the employers of Notseen when they had brought on over-production. A proportionate share of the articles of over-production consists of things calculated to satisfy the higher wants of man, intellectual and pleasurable on the part of those who can afford them, owing to equalizing tendencies. But as the bulk of the population are reduced to the condition of consumers of essentials only, and as the over-production is destined mainly for their consumption, it is evolved by the law of trade mainly into the form of staples.

RESTRICTED COMPETITION.

We often hear the advocates of exaction discoursing upon the evils of competition, the ruin it causes, and the necessity of pools and combinations to avoid it. The kind of competition they refer to is the competition born of combination and pools, and exaction generally. It is a competition of sellers. It is the competition of over-investors to make three industries live, when two would have fattened had the capital of the third been left with the under-investors to develop trade to match. It is the competition of surpluses to find sales among a class who have been robbed of their means of purchase. It is the competition of money to find borrowers, when the people have discovered that the savings of outlay cannot be made to equal outlay. It is the competition of homesteads to get sales to save the owners from entire wreck. It is the competition of laborers to sell services when the high-profit industries are overdone and the common industries have not the means or the encouragement to hire.

This competition is at its climax when overproduction is at its climax—when surpluses are doing their best to unload themselves upon the people in exchange for the people's preposses-

sions or capital. It is attended with low prices, failures, foreclosures, riots and all sorts of troubles—at their worst, also, when over-production is at its worst—which are born of the competition to sell without there being a corresponding lot of equally anxious buyers. It is, indeed, the tumult of capital, frenzied at being forbidden to profit more, and struggling to adjust itself to some basis of profit. Such competition is ruinous and retrogressive. By way of paralyzing our efforts, undermining our resources, and creating losses and setbacks generally, it affords abundant reasons for disparagement of competition so long as restricted competition is made the subject of disparagement.

Against the results of free competition no complaint can be urged. The first impulse is to object that competition will reduce all businesses to a low grade rate of profitableness. But, to reply, the best and the worst that free competition can do is to make all accept the same rate of profit. If labor and capital are *continuously* engaged, and at *greatest* advantage, what can there be but an increase of wealth out of all proportion to the present standards of increase; and who must get this wealth, and who must accept low profits?

Free competition, I am convinced, would double or treble the national increase of wealth,

because all the forces of wealth-making would be constantly and most advantageously employed.

It would enrich all mankind, because such accelerated wealth-increase, fairly distributed, could not do otherwise.

It would drive indigence from every door, because that could not but occur where the poorest had steady employment at more remunerative rates than now.

It would do away with slothful habits, because the opportunity to handsomely profit could not be withstood.

Speculation would yield to honest industry, because capital seeks honest investment first, speculation afterward.

Investments would be in improvements rather than extensions, because the natural outlet of excess wealth is in betterments of quarters and surroundings.

Corners in commodities would become unknown, because everybody could compete and prevent them.

Adulterations would cease, because people could afford to indulge in the genuine.

Lastly, "the greatest good to the greatest number" would have to succumb to the supremacy of a superior motto: "The great good of all."

CHAPTER V.

MONOPOLY.

An unjustifiable device of man for the profit of himself is the monopoly of industries.

The monopoly of an industry is such control over it as affects the exclusion of rivals. The purpose of monopoly is to enable those in control to dictate terms of self-enrichment, chiefly by maximumizing prices charged and minimumizing prices paid. In this chapter I shall confine myself to some of the remoter effects of monopoly considered as an instrumentality in and of itself.

IRRESISTIBLE DIVESTMENT OF PROPERTIES AND PRIVELEGES.

Unfair distribution through the instrumentality of monopoly may be called exaction in exchange. It is a method of commerce in which one class is compelled to deal with another class and to give the other class all the advantages there is in the bargain. The first result is gains, surplus, over-

production. The second result is rapid and total divestment of the one class for the aggrandizement of the other.

The divestment is carried on through the process of forcing the people to redeem the gains or commodities of over-production, and to substitute for them their homes, their fixed possessions, and added services—to buy back lost earnings and to pay for them with that which is back of current earnings, and which we may call for short "prepossessions." The end can be but total impoverishment for the masses who are thus imposed upon. How else can it result? How is it possible for the masses to deal with the exactors and continuously give them the advantage without falling back upon their prepossessions time and again until everything is lost, to find something to settle differences with.

It may be said that there is no such a thing as a deal between the exactors and the masses in the sense of a commerce between two parties. There is nevertheless. The commerce of any individual is his exchange, either of service or commodity, with the balance of the world. He buys, sells, exchanges with those around him; he is their customer, they are his. Between the exactors and the masses or people as contradistinguished from them, those transactions which severally transpire, having the exactors on the

one side, the people on the other, compose a distinct and separate body of transactions as between the two. Although visibly interwoven and crossed by the transactions between the members of the exactors themselves and those between the members of the masses themselves, those which occur between the masses and the exactors constitute a distinct line of transactions, just as distinct as those which occur between one man and another or between one nation and another.

Now let us illustrate in a way that a child can understand. We will suppose that two men get and remain together for a period of time, each man having a horse worth $100.00 and one of the men having $100.00 in cash besides. We will suppose further that under a stress of circumstances, not material to be specified in kind for this illustration, the men trade horses once a day and the man with $100.00 cash gives always $10.00 to boot. Will he not upon the tenth trade have lost all his money? Then if they continue trading in the same one-sided way, will not the man that has lost his money indebt himself to the other at the rate of $10.00 per day, and will he not on the tenth day have lost his horse? He will most assuredly, and just as assuredly will the masses lose all of their properties through

having to deal with the exactors in the same one-sided way.

At first blush it might be supposed that the way for the masses to make up for the exactions of the monopolists is to work hard and produce plenty to sell. Under a system of unfair trade such attempt only makes it worse for the people. In the illustration of Notseen (page 18), we saw that every day the employes labored after their wages were cut down, added to the size of the portion that current wages would not buy. Every day of labor produced the portion which answered as wages and left a percentage to go into surplus. That is the situation between the masses and the exactors. The exactors conduct certain affairs of industry on the one side, the masses on the other. In the dealings between them the exactors dictate the terms both ways, they say what they charge and they say what they pay. The consequence is a difference always in their favor. The more the masses try to work and earn to overcome this difference the more must they deal with the exactors and therefore the larger and faster do they make this difference grow. Undertaking to reduce it by extra energy in production or extra time in service is like expecting that perseverence in the attempt will at length enable a person to balance weekly

expenditures of $10.00 with weekly receipts of $8.00.

There is no doubt a vague impression among folks who have not given the subject much thought that the exactors have some way of disposing of gained surpluses within themselves; that it is not made to reflect to the disadvantage of those from whom it is taken after it has left the latter's hands; that the deprivation caused by the dispossessment is the total and ultimate of the injury entailed upon the masses on account of the exaction. In short that there can be such a thing as submitting to monopolistic exaction and holding on to ones property at the same time.

But the two cannot go together. As the revenue of gains stands opposed to a corresponding blank on the people's side, it makes it possible for exactors to invest in the people's prepossessions. As they think it politic to do so, it is done. The same cause which makes it politic and possible for them to invest in peoples' prepossessions makes it, as we shall show, politic and necessary for the people to part with their prepossessions. It is a mathematical impossibility for one class to deal with another and continuously give that other the advantage without regularly and periodically yielding up, to balance the advantage, portion by portion, of prepossessions. It does not appear to me that this needs more

than to be stated to be seen, yet it needs to be stated that those who have never looked into the matter may be apprised of an inevitable fact and danger.

It is argued by some that a brisk foreign trade would prevent or exhaust over-production. It is hard for me to see, in the first place, how there could be any brisk foreign market for us with all other countries in the same dog-in-the-manger condition as ours—the rich surfeited, the masses robbed of their means to buy. In the second place, I cannot see how the exchange of our over-productions for other countries' over-productions would better enable the masses to consume them. The natural product-for-product trade has been destroyed in developing the gain, and the gain can be exhausted only by exchanging itself for something else than products.

It is readily seen how gains are resolvable into and absorb properties, but not so readily seen how they resolve into and absorb services. I can best explain the matter by reference to the illustration of Notseen. There, after the cut in wages, the surplus accumulated at the rate of $237.50 worth per day, on account of the employes receiving but five days' earnings for six days' work. The employing proprietors could have resolved this surplus, had it been

their design to prevent accumulation, by taking the employes away from their regular work on the sixth day, or during one-sixth of the time, and engaged them at work specifically unproductive of common needs and intrinsically for their own, the employers' benefits. They could have engaged the men in beautifying the grounds around their, the employers', premises, or in ornamenting the exterior and interior of their buildings, and in ministering to their whims and caprices generally. Or they might have continuously engaged five-sixths of the men in the production of physical necessaries and kept the rest as body servants. Proceeding in this way would be a draft upon the services and energies of the people instead of upon properties. The underlying principle is the same in both. The delivery of the service is as purely gratuitous and onerous as the delivery of tangible property. Both are the act of earning over again what one has earned.

Draft upon services will constitute the only form of divestment of the people when they once have been completely divested of their freeholds. Enough of the masses will be engaged upon staples to produce the supply, and the balance of energies will be devoted to pandering to the rich. One small class will possess the land, or liens upon it equivalent to possession, and all the good-

ness and splendor and luxury which can be supplied with millions of teeming hands, while the majority of the possessors of the millions of teeming hands will share nothing but the scantiest of diet and covering from birth to the grave.

While the masses, or the larger share of them, still own freeholds, the larger share of gains will be devoted to the procurement of properties, either to be directly held, as are held railroads, manufacturing and mining properties, or indirectly held through mortgage and bonded indebtednesses. Many of the exactors will live lives of comparative economy that they may have much gains to devote to the accumulation of properties. It could only be expected that the disposition to gain would vent itself in the accumulation of properties, since properties serve as the means of increasing gains. When all properties have been laid hold on, the exactors have no other outlet for their gains except upon services. These they can utilize by making them serve purposes of dignification, pomp, fancifulness and extravagance. By that time, however, the effectiveness of the masses as producers will have become so thoroughly weakened, and the propensities and desires of the exactors will have become so amplified and insatiable, that the exactors as a class will not, through the uttermost oppression of their dependents, be able to

satisfy all their demands. When this uttermost limit is reached everything conspires to bring on governmental dismemberment and collapse.

We can now perceive the characteristic mode of divestment involved in the action of industrial and trade monopoly. Confiscation of properties without ceremony, after the manner practiced by arbitrary kings and emperors of olden times, for instance, was sudden and palpable. It is not so with monopolied divestment. Properties are absorbed by degrees through the settlement of differences. Bringing people around to a state of non-freeholdness and slavery by gains upon earnings and reconversion of gains into properties lacks nothing in the way of certainty, however; what it lacks is instantaneousness, shock and appearance of tyranny, and in the eye of the shrewd exactor is detected as the only measure that could be enforced in a country where the people believe they are free and independent.

It might be asked, in a system of fair distribution would persons ever lose their properties? The answer is, if an individual were inclined to be a do-nothing, or a spendthrift, or both, he would, and it would be his own fault. But the average of such traits and habits in all classes would tend to reciprocally restore losses and keep up balances. In unfair distribution the masses are *compelled* to part with their possessions, out of the nature of

the operation of unfair distribution, and regardless of whether they try to save their possessions or not.

Where was fair distribution there would be dealings in and exchanges of properties as now, but as one class would not be constantly setting aside clear gains and requiring them to be taken back and settled for with prepossessions, each class would always hold its own. As a consequence, extra earnings seeking investment, would be applied immediately and continuously to improvements and the common enrichment, instead of being set aside, held for opportunity, and used as they now are. And as there would never be any over-production, never any industrial depression, never any stoppage of production, no idle populace standing unemployed and shouting for work half the year round, no producing class crippled for want of means to effectually produce with, wealth would accumulate very fast and properties would soon assume a high state of perfection and the people in common would soon be most admirably circumstanced.

In maintaining the entire divestment of the masses as a result of unfair distribution, it is not argued that the divestment of the different individuals of the masses will take place proportionately, each person parting with a share of his possessions in each decade. Difference of

original circumstances and capacities preclude the intervention of the same guards and degrees of resistances to the divesting inevitabilities of unfair distribution. The weaker ones will go first, and while they are being wrecked, the stronger among the masses will be getting ahead to some extent as compared with the progress of other members of the masses, but generally falling back as compared with the progress of the exactors. When the first weaker have been ruined, then the next weaker will be on the verge of ruin, the whole body of the masses being pushed down step by step. The process will continue until the ruin is encompassed of all except now and then a person who has been so favorably circumstanced as to be able to take advantage and get on the elevating side of an order of things which tears down the one and builds up the other out of the ruins. Such an one, then, from a necessary law of man's nature, becomes an exactor himself. But for one that goes up thousands will go down to toil and deprivation in the interest of and for the support and aggrandizement of those who lord it over them.

It is not claimed, either, that the divestment of the people will always have on the face of it the appearance of necessity. Many people will sell their properties from preference when a

price is proffered for them. This looks very voluntary as long as we do not inquire where the exactors get the money to buy with, and do not inquire too closely into the motives of the common people in continually parting with their possessions, and into the necessity that impels many to part with their possessions in excess at certain periods. It is a maxim that good paying properties do not love to part company with their owners; it is true, also, that a property seeks to convey itself out of ownership of him who saves but little of its produce and into ownership of him who appropriates much of its produce. The masses produce an abundance upon their properties, the exactors appropriate the spare, and more than can be spared, of the abundance. This makes the existing owner want to sell, and the exactor, desiring ready investment for his gain, wishes to buy. Upon the surface nothing like compulsion is discoverable. Superficial observation simply discloses that the railroads, certain classes of manufactories, mines and other concerns are yielding enormous profits. That these profits are reinvested in more railroads, manufactories, mines and the like. That after one class of properties is bought up, another class of properties is bought up, either in the shape of the properties themselves, or in the shape of loans and mortgages, the twin equiva-

lents of ownership, and gain generators in another form. It is thus that investment succeeds investment, and in the absence of forced sales there is all the appearance of voluntariness.

But though voluntary appearing, the whole is coercion; is a rendering of the properties and services of the masses into the hands of exactors out of the intrinsic impossibility of giving to one side the continuous advantage without balancing up with properties or services, or both. Gain continuously in one direction aggrandizes the recipients and distresses the surrenderers irresistibly.

OBLIGATORINESS OF MONOPOLY.

Having seen that exaction in exchange, or unfair distribution through industrial and trade monopoly, inevitably, and by reason of its being a cause which can have no other effect, induces to the surrender of the people's properties and spare services, we may next appropriately discuss the quality of obligatoriness which attaches to this exaction or unfair distribution. It may be asked, are the people *compelled* to submit to exactions upon their earnings and then to redeem with their properties and services the gains which have been exacted from them?

One sufficient answer would be, that the fact of unfair distribution and its results implies the

presence of a means or instrumentality powerful, deceptive or otherwise, adequate to the enforcement of the same. Otherwise, the judgments of men would secure fairness. But when we look into the nature of this instrumentality, we find it to be compulsory, and thoroughly so. The instrumentality is the monopolization of businesses and industries. The monopolization being of those businesses and industries which relate to the production, conveyance and trade in the prime necessities of life; the great railroads and great mining, manufacturing and other concerns that, as businesses and industries are essential to supply wants, yet disposed into the form of monopolies work detrimentally, the people are not at liberty to dispense with them upon any grounds they may set up.

They may be fully cognizant that they are being uniformly and infamously cheated and stripped; they may deplore their ill-conditionedness and desire, ever so much, to avoid connection and communication with the machinery that they know is formed for their miss-usage and wronging; but it would be just as impossible for them to render themselves independent of these monopolies as it would be to render themselves independent of the needs for iron, clothes, coal, kerosene and transportation services which these monopolists control. The producer must

sell his raw commodity to them and must transport through them, because there are none others to whom he can go for the purpose ; the consumer must purchase for certain needs of what they produce, because none others are allowed to produce in answer to these needs; the laborer must serve with them without privilege of choice, because other employments exclude when they have absorbed their quota of laborers. Thus we see that the people are as necessitated to deal with the monopolists, and, at the same time, to submit to their exactions as they are to exert, eat and dress for support of existence.

The same helplessness of state which compels the people to trade and pile up surpluses or gains, in varied forms, compels them to reduce and redeem these gains again in such manner as the exactors design. I will restate that the work of converting gains into people's properties and services does not look at all times like positive compulsion. During the progress of a decade the monopolists will be continually converting their gains into people's prepossessions. In common words, they will be devoting their profits to the procurement of one class and another of properties throughout the country, directing their acquiring specifically, until all was compassed that was desired, upon certain classes of properties which they should begin with. For

instance, Vanderbilt, Gould and cohorts would first possess themselves of all the railroads of the country, using the profits upon previously monopolized lines to embarrass and take in those railroads not within the charmed circle. In like manner Rockafeller and ring would master the oil business and others would master the iron and coal industries. After these lines of properties were secured, other classes of properties would become objects of gains, such as bodies of lands, blocks in cities, timber tracts, cattle herds. If real properties were not available or suited to personal ownership, mortgages upon properties would be purchased and bonded indebtednesses. At the same time much of these gains would be converted into services for adornments, extravagances and luxuriousness. All this would appear voluntary. Properties which the exactors bought the owners were willing to sell, and people were more than willing, they were anxious to minister to the enjoyments of exactors; to part with their services to the exactors. In fact it is voluntary on the part of the people, if that can be called voluntary which induces them, after the harshness of exaction prevents them from continuing profitably or even so as to make a living at their old vocations, to part, and gladly too, with their properties and services in return for exacted gains.

But the exactors do not get all of their gains converted into people's prepossessions in a semi-voluntary manner, and what they do not get converted in this way they get converted by arbitrary redemption when the conditions have ripened for the work. The ripened conditions are: a flood of over-productions, occasioned by the self-made economy of the people in trying to hold their properties intact; a general moneylessness and indebtedness of the people, occasioned by a severity of exaction that left the people too little of their own earnings to meet the requirements of even the severest exaction; a time when goods and materials cannot be further accumulated or longer held without danger of serious loss from decay and shrinkage; a time when debts cannot be further enlarged without their over-reaching the securities upon which they are based; a time when money sees better opportunities of reward ahead than ordinary ways of investment afford; a time, in short, when for safety's sake, factories are closed down, settlements of debts are enforced, and the *conversion* current is made to be the *strongest* current. Then is when there is arbitrary redemption. Monopolists *compel* the people to take off the former's hands the surplus stocks they have accumulated, by refraining from the manufacture of more until these are disposed of. Exactors

force to disownership, directly or by permanent debt lien, those who are deeply in debt, and the money—it comes out and takes in the properties at a song, or makes settlements at a great shave. During this time, known as industrial depression, there is an under-current of production and customary exaction going on, but the main current is the conversion current, and it maintains the ascendency until the surpluses have been well reduced.

It can be readily seen how factory stocks can be reduced by the stoppage of manufacture until they are disposed of, but perhaps not so readily understood how agricultural produce can be reduced while agriculturalists go on producing in a manner without coming to full stop as factories are accustomed to do. Let it be understood that during industrial depressions agricultural work is fitful and diversive, low prices causing this class of people to be trying at one specialty and then at another in order to find something that will pay, and that this vain experimenting entails great loss and greatly reduced production. Then much of agricultural produce spoils in elevators and in farmer's bins, and it can be shown that wars and famines are induced by unfair distribution, and are potent agencies for reducing surpluses of all kinds, and invariably at the expense of the masses.

It can be now understood that the exactors have it in their power to compel the people to deal with them, and to give them the advantage; they have it in their power to obtain from the people in a semi-voluntary manner their possessions and services as events progress; they have it in their power, by closing down industries and enforcing settlements of debts, to compel the people to take back the gains which have been exacted from them, and to give their prepossessions—fixed properties and services—in exchange for them.

Exaction and forced divestment may be defined as the denial to a people of a decent living by cheating them out of their earnings, then the denial to them of any living except as they are cheated out of their properties in exchange for their earnings. The season of compulsory divestment is attended with a series of ill-circumstances which make it a season of greatest hardship to the people. Among the circumstances of extra hardship may be mentioned, first, the *forcible* dispossession of many person which entail sacrifices in the way of costs of official proceedings, foreclosures, and low offers, that amount next to the outright robbery of persons because they have fallen victims to a dire and outrageous effect.

Another circumstance is the extra taxation

entailed to support the laborless and foodless, to build poor houses for the confirmed beggaring, and to build jails and penitentiaries, and to defray expense of machinery for intercepting, trying and incarcerating those who have gone into crime rather than into beggary to maintain that which mankind is so tenacious of, life.

Another circumstance is that this period impinges stingingly upon the domain of the feelings, forming another reason why it is extraordinarily severe. To fail to take the emotions into account in calculating the sum of the causes of human happiness is to leave out the biggest half of the element. One who has not been thoroughly imbruted and calloused against shame by poverty and denial would rather live on bread and water than be forced to the acceptance of an alternative which savors of ignominy and loss of public esteem. The property holder who can sell his property in a semi-voluntary manner is relieved of the worst features of an inevitable performance. If he must sell, the avoidance of forced sale is also avoidance of violation of his self-respect and self-esteem.

To the ordinary laborer nothing can be more afflictive and soul torturing than the necessity to go upon charity or to seek the poorhouse for an extension of stay upon mother earth. Many seek suicide first. Thousands, preferably to

humiliating themselves thus, resort to every trick and device, innocent or criminal, which can be invented or perfomed, to live well or poorly, as circumstances permit, and usually to find themselves at last arraigned and convicted for misactions and compelled at last to march into the poorhouse, or perchance worse, the chain gang or prison pen. Humiliation overtakes them after all their efforts, to at least appear respectable when want of proper employment prevented them from acting respectably. It is the things of the nature here depicted, the embodiments and manifestations of the excess or culminating effects of unfair distribution which make the panic periods less endurable than the decades which precede them.

ADVANTAGE SOUGHT.

We may now inquire into the extent of the purpose and practice of the exactors to take the advantage.

By a little examination we can satisfy ourselves that is their purpose and practice to take the whole advantage; that is, that it is their purpose to reduce the masses of the people to a state of non-freeholdness and servitude as rapidly as the methods employed will allow; that they force those who are completely dependent upon them for support to maintain themselves upon a bare

subsistence; that it is their purpose to reduce as rapidly as possible the whole mass of people until the rank and file of them rest upon the base of lowest life support.

Let me explain here that the lower rank and and file of industrians, the ordinary laborers, the commoner class of mechanics, merchants, agriculturists and others professionally or otherwise engaged, will always have some to rank above them, because of innate differences in men and situations. Some will rank above to a certain degree, because of superiority of natural talent, luck or pre-disposed circumstances. Many things, evident to any one, intervene to preclude the indiscriminate precipitation of a whole body of people to exactly the same level. With the most pliable class, the mere employe, it cannot be done. Corporations, for instance, are in need of skilled bosses and skilled workman, and higher wages must be paid to induce this skill, as skill manifestly would not be induced if it commanded no more reward than the commonest service. So when we talk of people being reduced to the lowest base of subsistence, we must remember that there will rank some above that base, because they could not be pushed down to it, without the others being pushed below it and to starvation and destruction. This the exactors would not find it to their interests to do since it is

their business to subsist and luxuriate off the exertions of the masses.

That it is the purpose and practice of the exactors to take the whole advantage, as outlined above, is, in the first place, inferable from the nature of the instrumentality of monopoly. Upon an inquiry into the nature of a monopoly, we find that it confers absolute power. The monopoly of any business or industry means sole control over that business or industry. Sole control means power to compel all persons in need of such services, wages or commodities as are controlled, to deal with him who controls them, subject to this one's self-proposed terms. Thus we see, as to anything monopolized, he who monopolizes it is bound by no social law superior to his own caprice. In any business connected with the supply of wants he is enabled to disregard, if he wish, all the legitimate rules of trade and laws of prices, and, to the extent to which the people are bound to deal with him, to capriciously override their rights and interests.

Now, incidental circumstances having brought one into the possession of a monopoly, the conscientiousness of such an individual might deter him from abusing his privilege; the preponderance of chances, however, are, that he would make the most of his opportunity. In those instances, however, in which monopolies have

been the consummation of persistent and pertinacious seeking, scheming and building up of self as opposed to ruin of competitors—a consummation characteristic of the few great monopolies which we have in this country—there is no doubt as to the course those who control them will take; the inference is patent that they will use them not only to their advantage, but to their greatest advantage.

This conclusion we are justified in forming, from our universal instruction that means and ends always are, or are designed to be, commensurate or in unison one with the other. The question is intuitively intruded: "If not for sole advantage, why sole opportunity?" It would be contrary to our modes of thinking, as superinduced by common observation and experience, to suppose that men who will work and scheme to get sole control, and complete authority to coerce, will do other than dictate the most self-seeking terms consistent with the power of others to yield.

The inferences are backed by facts. Unqualified proof of the disposition to take every advantage is given in the extreme contrasts existing between the monopolists and those whom they have got completely under their control, like the employes directly and necessarily dependent upon them for a living.

The exactors we find in ownership of great railroad interests, mining interests, manufacturing and other interests which they have consolidated to prevent the independent and competitive management of separate concerns. These, we must mind, constitute a basis of wealth and are the indications of a series of profits remarkable alike for their mammothness, speed of accumulation, and recentness of origin. The personal livings and modes of living of these giants of wealth are in keeping with their circumstances. They live in costly mansions adorned with the most extravagant embellishments, genius and dexterity can fashion. These are complemented with furnishings which have taxed for their procurement the labor and skill of the most finished artists for months and for years. At the behests of the occupants of these mansions the world is ransacked to get suitable attire and ornament for their persons and suitable food and drink to tickle their palates. Experts study how to administer to their wants and retinues of servants anticipate their every desire. They convey themselves in the most costly transports, luxuriate in expensive summer villas and go sight seeing to resorts of attraction in every approachable part of the globe. What one such a family spends for pleasure above personal comforts alone, would keep a thousand families of the opposite

extreme in what would be considered by them plenty and affluence.

What is the condition of that class of persons who sustain the relation to this opulent class of dependents upon them for the sustenance of life? I have reference to the wage-workers employed in their mines, their shops, their factories and elsewhere, the body and bulk of whom comprise the base of the fabric of human toil and upon which certain grades rest that necessitate higher pay. Do not say that, living in a free country, this class of persons are privileged to go elsewhere and improve their situations. It is crowning infamy with insult to first encompass certain industries which labor must seek to get its supply absorbed, and then say the wage workers are privileged to seek employment where they like. Just as the people are compelled to patronize these industries, because they are essential to the people's existence, and as much so after as before they are monopolized, so laborers are compelled to seek employment at them, because they are a part of the operations which take up the labor of the country; in other words, laborers are pushed into them, whether willing or not, because other employments exclude after they have absorbed a supply of labor proportioned to the share or ratio of subsistence they must supply. The laborers of monopolists

must, of necessity, work for them. In what condition then, I repeat, do we find the laborers of the great monopolists, of those individuals whose fortunes are so vast, for whose gratification and amusement money flows as water from beneath the rock? It is not necessary to dilate. Their condition is well known the world over, and can be summed up in a sentence. It is that of a poor, rent-racked, over-worked, poorly-habited, stomach-pinched people, working every day that they get means enough to keep soul and body together and destined to live upon charity when the work plays out. When they luxuriate, it is in the nature of half-sunday saunterings around the scenes of their labor and visits to grogshops, because poverty does not close the heart to enjoyment and no other means of enjoyment can they afford. When they transport themselves, it is on a hunt for a job, with danger of being jailed for a tramp on the way, and when they rest it is enforced idleness, because so much has been produced that no more is needed.

What do we get from this immense and rapidly developed contrast between the conditions of the monopolists and their hired laborers, but thorough support of the declaration that it is the permanent purpose of the monopolists, and practice where possible, to take the whole advantage of the people. When we contrast their

immense wealth and rapid accretions with the miserable and denied condition of their employ es, and have blazoned the disparity of their ability to remunerate with the actuality of their remuneration, we get no grounds for assuming that profits enter as an element in the consideration or fixing of wages. We get no grounds for any inference other than that it is their purpose and policy in all their dealings with others to fix forced compensations and terms in favor of themselves, and that to the utmost degree and extent.

If any one denies that their purpose and practice is as here set forth, then I ask, how much lower could the wages of the common class of laborers—the class of essentially lowest limit, be reduced and wholesale starvation, barring perpetual charity, be averted! What signifies the aggrandized condition and constant and rapid accretions of the monopolists everywhere, in contrast with and related to the thoroughly impoverished condition of their employes, if it does not signify gain-getting for the monopolists down to the exact verge of the delivering victims' stintedest support.

The exactors are pressing this principle of greed as hard against the property-holding middle classes as they are against their immediate dependents. The manifestations among the

middle-classes are not the same as among the dependent employes, but that is because they are not designed so to be. The monopolists want to rapidly divest the people of their properties. That is how they apply the principle of sole advantage as against the middle classes. The requisite for rapid divestment is large gains. To get this two things are essential: lively production by the party to be divested; the surrender by him of all that can be spared above what must be had for a frugal subsistence and the lively production of more. As the leaving enough for a frugal subsistence and the lively production of more would not go with absolute stintedness, we would fail if we looked for extreme stintedness and self-denial among the common property-holding class to get proof that the monopolists were taking the greatest advantage possible of the people. As again, we find that the majority of people among the middle classes save out of their earnings nothing more than a frugal living, this fact, taken in conjunction with the many other facts we have portrayed, prove that the exactors are appropriating the properties of the common people, by actual or mortgage title, as fast as the instrumentalities employed will allow.

I think now, from the considerations in this chapter presented, the fair minded should be satisfied of these facts:

That unfair distribution, through monopoly of businesses and industries, is a method of commerce in which one class is compelled to deal with another and to give that other all the advantages there are in the bargains.

That the result must be total and most expeditious divestment of the one class for the aggrandizement of another class.

That industrial and trade exaction, hard of itself to bear is but the prelude and pathway to the harshest exaction the human kind can subsist under, or even harsher than they can survive.

That those who occupy the position between the exactors and their lower class dependents, the middle class so called, entertain delusive ideas if they think they are benefitted by detentions from lower class earnings, or if they imagine they are not destined to be subjected to a like system of detention.

That if the earth were ten times as fruitful as it is, and the productiveness of human effort were ten times as great as seen to be, existing regulations would cause want to stalk forth no less really, pervadingly and inflictively than now.

That it is a horrible and shameful fact, yet true, that the demon of want-death and starvation can reap victims with as great facility in the land of plenty and wealth-teeming cities as he can in the land of barbarianism, barrenness and famine.

Finally, that unfair distribution is an evil cause which can generate nothing but a train of evil effects, the finality of which would be the destruction of the mass of mankind, did not revolution or break-up always intervene to change the course of things and save the people, not from the evils of exaction, but from the most disastrous consequences of exaction.

CHAPTER VI.

WARS AND RUMORS OF WARS.

It is not uncommon to hear and read wails upon the non-pacific virtues of modern civilization and upon the imperceptibility of the advance of our ideas beyond the war spirit, as if the predisposing cause had been removed or in any way mollified, as if there were not exaction and aggressiveness, and they as rampant, rapacious and intolerable in character now as they ever were during any previous period of history. Just as if our advance in political and social affairs has not been uniformly an advance in the refinements of exaction instead of advance in freedom from exaction. All this is so plain that he who runs may read if he but discard his travsty glasses and look with the naked eye.

Exaction and aggression have changed forms and adopted new guises and methods, but that there is less of either or an abatement of the evils growing out of either, it devolves upon

him who so asserts to prove. To my mind the contrary is so apparent as to need no argument to establish it, and none for that purpose will be here employed.

Civilization has advanced us in certain directions. Besides advancing us in other things, it has refined us in the art of exacting; it has also refined us in the arts of war. We do not carry off people's goods bodily, as was done in olden times, or as is done amonguncivilized peoples at the present day; neither do we surprise and mas sacre people in order to get their goods. We do not now exact through chattel slavery as we did in recent-past times, neither do we invade, overpower and carry off people into chattel slavery. We have "improved." We have a more "civilized" way of doing such things. We exact by monopoly, taxation and debt-building, and we "declare" war, and conduct it with reference to certain formalities which civilization recognizes and compels compliance with. This is acts and deeds same in substance, but different in the modes of performance. It is inglorious murdererand vile plunderer becomerespectable by donning the soubriquet of valorous warrior and smart financier. That is as much as we can credit to civilization in these regards. We exact and reduce the masses of the people to want and beggary, just as certainly as did our less civilized projenitors, and

on account thereof, we have wars and kill and destroy just as inevitably as did they. The two are not separable. As long as nations are to be run by class exactors, and in the interest of class exactors, so long will there be wars for the very reason that class exaction makes wars expedient or desirable from several different standpoints, as we may show.

War is advocated from the standpoint of betterment of times, from the speculative, which is the exactor's standpoint and from the standpoint of revolt. That is, amongst the masses war is advocated as a panacea for industrial depression, hard times and the general ills of over-production. Exactors frequently abet and encourage and plan wars for sake of self-enrichment. People are driven to war in resistance to exactions that have become intolerable. In each case we see that exaction has been behind the war, and therefore, that the influence of civilization must be to suspend exaction before wars can be suspended. Let us notice further each case in turn.

STANDPOINT OF HARD TIMES REFORM.

It is not uncommon to hear the oppressed victims of exaction advocating war as a panacea for the ills of over-production. They reason that war creates demand and activity, and that it is

better to have demand and activity with war than to have over-supply and inactivity in peace; therefore, war. We must suppose of course that such persons see no further ahead than to the end of first results. They evidently believe that surpluses accrue in some mysterious and uncontrollable way, and that wars annihilate them in such manner as to leave no emanation of their forming to work future harm. They hardly reason that the extinguishment of surpluses in war is but the quick and costly metamorphosis of them into prepossessions, principally in form of public debt lien, and they hardly reason that the debt being an added factor of exaction, adds to the frequency and severity of the periods of industrial depression and hard times. We must suppose that they see the advantages of the activities and demands born of war, and that they no further see, or else we could not conceive why they should covet war.

That a preponderance of good feeling and satisfaction should be reconcilable with the existence and maintenance of a burdensome, destructive and heart-rending war, so much so as to make it wished for by many, appears odd, yet it is so reconcilable, upon the theory that a less evil is more endurable than a greater one. The fancy or eagerness for war, when industrial depression is harrying a people, results from the

menacing and ruining character of productions when once they have been absorbed away from the masses and placed at the sole disposition of a few merciless exactors. People would engage in wide-wasting, burdensome and murderous war for the dissipation of them, rather than go through the alternative of forced sale or mortage making, forced begging and forced stealing.

Rather than impair their home possessions the people would toil and produce and contribute to keep men engaged in carnage and destruction; rather than suffer the ignominy, contumely and disgrace attached to pauperism, trampism and prisonism, they would march foot sore through shuddering rains and burning sunshine and stand as a wall before destructive shells and bullets. Between the two alternatives, both unwelcome, war is preferred. That is the secret of the desire on the part of one large class for war. As the sentiment is born of the consequences of exaction, so the war spirit from this source must be laid to the door of exaction.

EXACTORS' STANDPOINT.

Motives of different sort impel the exactors into wanting war. War is money to them. Just as the victims of exaction want war, because they think it causes the quick and everlasting anni-

hilation of surpluses, so the exactors want war, because they know it causes the quick conversion of their surpluses upon fancy terms for them.

In the earlier and richer days of a common people intestine wars are the most popular with exactors. Wars of outside conquest are the most popular with them when they have got their home people well impoverished. To use the present case: the national policy of the United States is not one which meditates aggression upon outsiders. Our country is too new for that yet. The field for exaction is too good an one at home for exactors to think yet of trying their hands upon the subjects of other countries. There is too large a class here who have not yet been reduced to the lowest stage of subsistence; too many who are still good subjects for plucking for exactors to think yet of casting their eyes abroad. Besides, an immense amount of land remains yet to be settled upon and made productive of rents, interest and profit to exactors. In short, the general industrial class of the Union has not been reduced to any thing like the stringent condition which makes aggressive warfare more profitable than present methods of home exaction, and until they have been so reduced our policy will be one of peace with outsiders.

It cannot be said that we will try extremely hard to keep peace within. Home wars in thrifty

countries are easy of ignition. Exactors abet and encourage them instead of throw their influence against them. They have, occasion justifying, looked the case over. They see that the people can yield up much more than they are yielding. A large portion of them are not only doing well but are growing richer. They can stand greatly increased taxation. So when threatening appears, the war spirit is encouraged. If there can be war, gain-getting will be accelerated. The exactors will profit from the increased surplusages which increased activity gives; from the disposal of their surpluses at fancy prices; by the advancement of goverment funds upon speculating terms; and by the opportunity which their advantages gives them to run financial measures in their own interests. This is a good thing for the exactors, so long as the people are thrifty enough to bear the extra loading, and they encourage wars at home.

When the people have been loaded with all they can stand up under, then the exactors throw their influence against intestine wars. They preach against internal dissentions, refuse to invest in credits for such purposes, and force the authorities to resort to peaceful modes of settling their grievances.

After this there obtains the aggressive policy with regard to weaker nations. Our own country

can be expected to become an aggressive one when our own people have been got well yoked and yielding. Aggressive wars are for the extension of exacting devices abroad, when they cannot be further extended or amplified at home. A modern method of procedure is to fix upon a prosperous, but unwarlike or inadequately strong country, trade and tamper with the inhabitants until a pretext arises for war, when they can be subjugated and reduced to the same condition that prevails among the masses of the subjugating country.

The vigorous or lax prosecution of a war depends upon the good or poor degree of chance there is to make some set of subjects foot the cost. Where thrifty masses can be found to saddle a debt upon, there will always be vigorous wars. It will be so, because the exactors will find it to their interests to see that plenty of means are advanced to furnish plenty of men, plenty of rations, plenty of pay, plenty of weapons, plenty of munitions and plenty of everything which go to make good regiments and good fighting. The adage that "money makes the mare go," applies in soldiery and war as in everything else. It is only in cases where the exactors see no chance to make somebody else pay the bill, that wars are conducted in a half-hearted and irresolute manner. England's war in the Soudan is an example.

There was no chance for the exactors to get anything out of the Soudanese if they conquered them, and no chance to saddle the debt of a vigorous war upon their home subjects, since the latter are burdened with all the debt they can now pay interest upon. Hence the poor figure cut in the Soudan.

The same irresoluteness characterizes England's resistance to the forces menacing her Asiatic possessions. There the exactors have nothing to gain but merely to save. They are making all off the subjects of India now, that the subjects can yield. To save the country gives no chance of profit and spare chance for an even return. Therefore, India is to be saved, if saved, at the expense of the honor and dignity of the mother land. England, so skilled and powerful in the art of war as to be able to conquer almost any nation that would make good plucking for her exactors, is like an imbecile old crone when it comes to warring with nothing to pluck in sight.

We thus see, that from the exactors' standpoint, there will always be wars while the principle of exaction maintains in the government of countries, because there will always be occasions when the exactors will find it to their interests to have wars.

A lesson to be learned here, is one in regard to

the decline and fall of nations. When a country's masses have been loaded to full yielding capacity with exacting devices, the nation has arrived at the crystal state when it readily succumbs to the blows of extraneous forces. And this circumstance is not blamable nearly so much to the degeneracy of the masses, as it is to the avariciousness of the exactors. The latter will not contribute of their own in patriotic defense. Rather than yield up any share they possess for the perpetuation of existing government, they will risk the chances of preserving their gains and continuing exactors under an altered rule.

STANDPOINT OF REVOLT.

Revolt against the intolerableness of exaction is the occasion of wars.

People do not revolt against moderate exaction. It would be right to do so but they do not. History proves that the exactors have been royally sustained in the business of exaction, as long as they have observed a decent regard for people's bare stomachs, bare bodies, and bare lives. The latter have always peacably permitted themselves to be deprived of the betterments of life which they were entitled to. But nakedness and starvation has frequently stirred them to revolt, causing them to gain nothing some-

times, concessions at other times, and at still other times, occasioning them to succeed in freeing themselves entirely from their oppressors.

It may be remarked, however, that when a people have freed themselves from the dominion of their oppressors, their advantage has been only temporary. For they have always immediately set about to build up, and to allow the building up, of a new system of exaction to take the place of the old systems.

We see now that exaction, as a primary cause, leads to wars, first, from the standpoint of relief from the consequences of exaction, as where people advocate war for the sake of relief from industrial depression and hardtimes. This sort of relief we have explained is a little present gain at the expense of impulse in the divestment of the people, the frequency of panics and bitterness of them.

Secondly, exaction leads to war for the furtherance of exaction, the exactors encouraging war for the profit there is in the business to themselves. Looked at as an instrumentality well calculated to accelerate the aggregation of the world's wealth in their own hands it is a good thing for them. In reality, however, it is not a good thing for them, since stolen gains benefit nobody, and are a curse to everybody.

Exaction, in the third place, leads to war by impelling to revolt against it when it exceeds common endurance. Warlike revolt of a people for the purpose of ridding themselves of the dominion and encroachments of exaction, is an exercise of pure patriotism. A war of defense against invaders intent upon exacting would be of the same kind. Except for these purposes, I do not see that any resort to war could be characterized as an exercise of patriotism. Liberty bought of war, and lost again through failure to provide against the rise of new exactors, I must claim, however, is making the resort to war a thing of vainness and folly.

Aside from the three motives based upon exaction here given, I do not see any that would provoke war. I am convinced, therefore, that without exaction war would be a relic. Motives of relief would be absent, because no oppression. Motives of gain would be absent, because all would have to bear alike the burdens of war, and each individual would have to submit to a dead loss of time, service and wealth. Evidently war which produced such results would not be engaged in, unless it were a case of resistance of non-exactors, against the invasions of those perpetuating their exacting devices and bent upon further exaction.

FINANCE OF WAR.

It may not be inappropriate here to touch upon the question of money needs of war.

A free people would be expected to provide funds for the carrying on of war, against invading exactors, say, mainly by direct taxation. We premise, first, that the absence of exaction would be brought about by fair taxation. Fair taxation would cause each to contribute, in a certain proportion based upon wealth, for the prosecution of the war. It would also cause each to contribute in the same proportion for the payment of a war debt. Under such dispensation a large war debt could not be created unless the government remunerated each tax-payer with bonds equalling the amount of taxes he paid. But as to tax the people afterward to pay for these bonds would be to ask each person to pay for his own bond, we can readily see that the inhabitants would prefer to dispense with the issuing of bonds. Bonds would be issued to those who could spare more means to aid the government than their proportionate share of taxation called for, the same being attracted by the offer of the government to exchange its bonds, running on time and bearing interest, for those means. The amount obtained in that way, however, would

not suffice for the creation of a very large debt, since fair taxation would not leave much that desired such investment.

A war we can conceive would be very unpopular under a fair system of taxation, for no people could see any advantage in having to give away their earnings for the support of soldiers, without any chance of ever getting anything in return for their earnings. It would be excessive taxation and consumption of means, with nothing but a hole in their resources to show for it. A free and fair dealing people would never have recourse to war except for patriotic defense. Such people, too, would be very difficult of subjugation.

Would more money be required by a free people in war than in peace? In my opinion no more would be needed. Under a system in which no surpluses were built up, in which all were rewarded according to their earnings, and all earnings were required to reward all; in which the wants of all were free to amplify, and consumption was limited only by the power to produce, the activity of the people would always be at high tide.

Consumption and production, or demand and supply being equal, the conditions would not be better for evolving activity. It is a question whether as much money would be needed, the

increased activity of production being over-balanced by the number diverted away from production.

REGULATING THE CURRENCY.

I append a few remarks under this head. The best plan of regulating the volume of currency, I think, is yet to be discovered. But the lack of best plan of managing the currency is not the thing that is hurting us now. The great hurt consists in the getting out of the hands of earners into the hands of the non-earners the money that is. When we have a system of fair distribution of earnings, as induced by free competition, the money will settle where it belongs, and there will be no complaints to make.

My belief is that the best plan of present proposing for the regulation of the volume of currency is through a system of purchase and sale of bonds.

We can first premise that the government will always be in need of money, not only for routine expense but for extraordinary purposes, as harbor and river improvements, public buildings and probably the conduct of wars.

We will premise next that the government holds itself in readiness at all times to buy bonds or to sell bonds, as the occasion requires, the same

bearing an annual rate of interest equal, as near as can be found out, to the average national and natural annual increase of wealth. To satisfy its money needs then, the government, if it owe for bonds, will pursue one course, if it owe for no bonds, will pursue another course.

Now, when people held bonds against the government, the indication would be that the money in circulation sufficed to answer the demands of commerce. The money paid better in bonds than in business. Taxation, therefore, should be resorted to, to obtain the means needed to meet governmental expense.

But should there be no bonds in the hands of the people against the government, the indication would be that money was insufficient for trade. The bonds had been converted into money, because more could be made through use of it in business than by investment of it in bonds. In this case the duty would be to issue money to meet government expense, and to keep on issuing until bonds were sought when issue should stop and taxation begin. The taxation should be kept up, and no new issue made so long as any bonds were held against the government.

The underlying principles of this plan and that of the national banking plan are the same, though there are some incidents joined with the national

banking plan that are not to be approved. The bonds delivered by the national banks to the government should be looked upon as consideration for circulation warranting their cancellation. The banks would not then draw double interest upon one capital, and the government would still sustain the same relationship to these banks that it does now. To cancel the bonds would not affect the rate of interest the banks would charge, since it is their rule to charge whatever they can get. If you argue that more are tempted into the banking business, the answer is, that double interest tends to abnormal increase of circulation. Money, to be kept even in supply with the need of it, should be rendered no more remunerative in loans than in trade.

The plan under discussion does not meditate the issue of circulation to those intent upon the banking business alone. It would issue money at any time bondholders preferred to exchange their bonds for money at par, and without question of what use was to be made of the money.

These remarks apply, of course, only to the nominal amount of bonds that would play the part of regulation of currency volume. While we have a large public debt, as now, no bonds would begin to play that role until bonds came to par and sought conversion faster than they

were due. Whenever the holders of our large public debt preferred the money at par for their bonds to the bonds themselves at a natural rate of interest, then it would be safe to issue money in exchange for them, or for so many as would seek conversion. When they did not seek such conversion, the evidence would be that their worth paid better in bonds than in trade, and that they should be paid off by taxation as fast as they became due.

Government paper issues of money are not available for settlement of balances with foreign nations, for the reason that the reigning spirit of exaction renders governments unstable, which character is transmitted to their guarantees. The nations of the world are engaged in the work of ruining one another and in ruining themselves. A horoscope cannot be cast, therefore, in one decade of the situation of nations in another decade. Possibly the nation that confidently guarantees its series of legal tenders in one period, will, in another period, find its prerogatives set aside for that of an invader, or through or in consequence of the machinations of exactors within. Therefore, for use in trade with foreign nations, a commodity having an intrinsic value, as gold and silver, becomes a necessity. Gold and silver are needed in bulk for the settlement of balances with nations; but

still, to fit them for use in the smaller transactions within a nation, they need to be divided into pieces of given weight, size and purity, and stamped, each piece with an expressed value approaching as near as possible to its intrinsic value.

When a system of fair distribution will have become supreme the world over, and governments rendered thereby everlasting, a guaranteed paper circulation of one nation will be good for its expressed value in any other nation, for any purpose it was the function for money to serve.

CHAPTER VII.

WASTE ON HUMAN CAPABILITIES.

Among the conditions that must exist to evoke the fruitfullest exercise of the God-given powers of man are these:

1. The greatest freedom in choice of methods.

2. The closest interest in the fruits of employment.

These conditions are the intimate attributes of ownership. They are not supported so closely by any other relation of man to property. Ownership is essential to the first condition because there cannot be exemption from interference without complete control, and complete control is incompatible with any other relation. A man exercises his own will in regard to such property only as he owns, so that it is ownership alone that gives man liberty to perform in his own way. Ownership of capital is essential to the second condition because that provision alone gives the performer the right to the fruits

of his performance and creates the highest interest of all interests namely, the interest of possession. Any advantage which a people derive from the existence of either of these conditions, then, they will be able to credit to ownership, because ownership must precede these conditions. These requisite conditions are laid down with a view of showing, by a discussion of their merits, how unfair distribution, by the creation of opposite conditions, causes a waste of human capabilities.

We can see that people are benefitted most where provision is made for the highest possible freedom of choice of methods, the first attribute of ownership, because they then profit from the exercise and application of the infinite variety of resources found in the different members of their number.

Men's talents, we know, are as varied as the faces of men. These differences were designed to enable us to perceive and lay hold upon the diversified forces of nature. If it were not so, and our minds were all precisely like some one man's mind, we could pursue only an one straight course adapted to the comprehension of that single mind, and would lose all other of nature's helps, because we did not understand them. Happily, the author of our beings has seen fit to furnish us with perceptions as varied as the nat-

ural objects it was designed we should study and solve the intricacies of. One person is fitted to excel in one thing, another person in another thing. A useful idea that would not dawn upon a certain man's brain in a life-time is perceived by another in an instant. The devising of ten men will readily dissolve difficulties that would impede one man always, because his devising capacity was limited to the grasp of a single mind. In any piece of planning two heads are better than one, and, in the same line, the freest exercise of universal talent will the soonest bring about the complete mastery of man over the forces of nature. To provide that condition, then, which liberates to the largest extent the countless capacities of man, mental and physical, is to provide for the most rapid development of the human race.

By the interest of possession in the fruits of toil, the second condition resulting from capital ownership, the people profit by the inducement of that prudence of management, saving, watchfulness, care and modification of methods to suit peculiar cases which a man extends to any pursuit in which his reward depends upon the yield he can produce by his industry and care. The fruits of his labor being his own, he is interested in getting the largest return possible, and he will, from the very nature of things, create a much

greater return than can be hoped for from one who looks for compensation in salary or wages only.

Seeing then that ownership calls for the wisest exertions and best devising expedients in man we become thoroughly convinced that the productive appliances of a people will be perfected in the most effective way, by keeping in vogue a system which invokes to the highest extent the facilities for obtainment by men of proprietary interests in their vocations.

But we have said that unfair distribution causes a waste of human capabilities. How? By conversion into few hands of extravagant possessory interests, thus reducing the proprietary class to the minimum number. By creating a small class of millionaire owners on the one hand, and a large class of propertyless employes on the other, both of whom have their efficienciesimpaired by the obstructions attending their situations.

First, the owners of immense establishments can give only general and skipping attention to the details of affairs, leaving the real management and performances of their businesses to others, under their employ. This is operating second handed, which is a very disadvantageous mode. It is impossible to get men to take the same concern in the welfare of others' interests that they will take in their own. The very natures of men

forbid the practice of the minutest productive economy when the fruits of toil do not become their own, and as the owners of immense establishments cannot themselves give attention to all of the innumerable details, or in many cases to any of the details, upon which the fruitfulness of operations depend, there follows inevitable waste and loss. The losses occasioned by want of strictest care here, and the allowance of a small waste there, and the failure to create to the utmost capacity every where, things that would be prevented by a proprietor having a smaller concern over which he could give completer supervision, go to make up an immense aggregate to be deducted from what might be the real produce of employed labor and capital.

While proprietors of vast concerns cannot familiarize themselves with their businesses sufficiently well to fit them to formulate the best plans for the general, and specifically the departmental, conduct of them, still by virtue of their authority as owners, all orders must emanate from them. Those under them, therefore, have no higher powers than that of executives and servants. The superintendents and men in employ have authority to execute only such plans as are furnished to them ready made. They are without power to adopt the better methods which their greater familiarity with the businesses in

hand and practice would enable them to prescribe. From this ensues more waste—a waste of the superior knowledge and skill which the superintendent and others obtain from close contact and intimate experience with the businesses in hand, and from constant observation of the phenomena, rules, causes and effects connective therewith. Though they may be animated by a concientious desire to expend their knowledge and skill for the best interests of their employers, yet are they bound by master's rules and subjected to the conservatism, and opposition to new methods, which characterize the masters as a class. It is well-known that useful inventions and improvements seldom emanate from large capitalists, and that it requires the most strenuous efforts by the authors of the best appliances to get them generally adopted. The direct managers are the quickest to discover the advantages in improvements and the defects in existing things, but being without the power which ownership confers, that is the power to enforce the adoption or discharge of measures and appliances according as they see that they will beneficially or do injuriously effect the concerns in charge, they are often compelled to carry out modes and policies which their better grounded judgments plainly tell them are far from being the best that could be employed. This superiority of ability to control, direct and

adopt becomes so much wasted, so much of diversified and practical talent shut off from utilization in progress, improvement and cheapening of production.

Again, self-interest constructs policies to suit the situations of men. It is policy for the superintendent to preserve the good esteem of the proprietor who engages him, as likewise it is policy to maintain the good will of the men over whom he exercises control. Good will between the men and superintendent fills the proprietor with an exalted idea of the superintendent's fitness for the position he occupies. This high idea protects the superintendent in the enjoyment of his position and salary, the things of ruling moment to him. But the good relationship between superintendent and men may depend upon a series of favoritisms toward the latter which is anything but to the interests of the proprietor.

Again, the superintendent may find it to his advantage to flatter his master upon the latter's exercise of sound judgment where there has been plainly unsoundness of judgment, and refrain from speaking the blunt truth in the matter. By so doing he attaches himself more firmly to the good will of a vain employer and profits thereby; and while it is certain such conduct is not for the best interests of the employer, it serves to promote the interests of the superintendent; it an-

swers his needs, and is but an exhibition of a natural motive.

Without multiplying examples, I think I have shown that that of a superintendent's authority, privileges and interest being foreign to those of a proprietor's, he lacks the proprietor's opportunities for the exercise of that knowledge and acquired skill, and he lacks the proprietor's incentives for the exercise of that prudence, saving, care and attention to details which are so enriching, when exercised, in results. In these facts are found objections to the aggregation of industries into immense wholes in ownership of a few.

Extending to the common workmen our inquiries, we still fail to find good in a system which increases beyond necessity the list of people deprived of all the interests and incentives which give inspiration and ambition to owners. We are only multiplying those who are interested rather in saving their strength and muscle than in putting forth extra exertions in the creation of supply.

Coupled with the drawbacks of restraint and dis-interest are the inefficiencies resulting from weakness of mind and body. The meagre wages which the monopolists can compel men to accept shuts them off from schools, churches and all the means of enlightenment of mind. It is not necessary to dwell upon the inferiority to the

educated, of the ignorant and dense-minded, as producers and earners. Statistics, observation and common sense satisfy us on that point. As to physical worth, the deprivations of body which under-paid employes are made to endure from lack of nutritious food, warm clothing, comfortable houses, and the overwork they are subjected to, are so health-destroying as to render it uncommon to find a perfectly robust person of middle age among them. Producing inefficiency in such men it needs no argument to establish. It is only necessary to say that these are some more of the crippling agencies born of monopolies, and that they greatly increase the cost of production; so much so that the monopolies could not be made self-sustaining if the destruction of competition did not give them license to rob the public indefinitely.

The common belief is that the more capital there is engaged in a single industry, the cheaper the production in that industry. But there is error in this. The influx of capital into an industry acts as a cheapener, until the amount of sufficiency is reached; further, it acts to the contrary. Adequacy of capital, to the degree that it gives into an enterprise the best form of buildings, the most adaptible machinery and tools, and operating fund to correspond, is essential to cheap production. But where there is enough,

efficiency is marred by the addition of more. The manufacture of a supply of anything being divided among a number of independent manufacturers, possessed each with all the modern facilities for doing his work, the wares will be turned out upon the lowest basis of cost. Because there will be a large number of interested proprietors engaged in directly overseeing and carefully watching every detail in order to secure the greatest economy in the production of their articles. Because the proprietors can bestow upon their business their own time and dispense with dependence upon salaried sub-masters to half-conduct businesses for them. Because direct contact with their men, as well as the better remuneration they will have to pay their men on account of the demand for labor by many other employers, will secure the earnest effort, vigorous movement, intelligent action and well-wishes of their employes. Because the employes themselves will be thrifty stockholders in the concerns, and will have all the interest in the success of the concerns that ownership gives.

Conversely, when a set of persons have plied the wrecking and consolidating processes to extinguish the separateness in entity of businesses and industries, and have succeeded in merging all smaller concerns into a few enormous ones, they have originated a series of cum-

brances, unwieldinesses and perplexities that render the most economical production impossible. Even could there be fair distribution in connection with consolidated production, the annual out-put from nature would be immensely short of possibilities.

CHAPTER VIII.

COMBINATIONS OF CAPITAL, JUSTIFIABLE AND UNJUSTIFIABLE.

Combinations of capital into single enterprises are occasioned by different motives in men. These motives may be justifiable or unjustifiable. We may suppose an instance of justifiable combination.

A party of persons conclude that it would be a paying investment to establish a shoe factory in the western town of Owago. The facts which they have taken into consideration are these:

First. Shoes can be made cheaper and better by machinery than by hand.

Second. The factory would be near to the raw material of cattle hides and others stuffs, and near the people who should want the shoes.

Third. A factory that was most perfectly equipped, containing neither less capital than was necessary for proper carrying on of the business,

or such an excess as to make it cumbersome and costly to manage, could turn out shoes upon the lowest basis of cost.

Fourth. Cheap shoes would make many sales, many sales would make many margins, many margins would make big profits.

These facts, we will suppose, have caused the persons in question to decide to make the investment. But the making of the investment is a combination of capital, as common understanding goes. A considerable sum of value is put into a single enterprise. It requires, to erect a building of suitable dimensions, and to place in it a complete outfit of machinery and tools, and to stock it with a due amount of leather and other material, and to make provision for a sufficient quantity of surplus or operating fund, and to keep these all up to the proper standard, an estimated capital of, say, $50.000. This is a combination of capital, and similar to thousands of combinations of capital existing everywhere.

But, what fault can be found with this combination? None whatever. Why not? Because the founders have done nothing in the establishment of this industry, but what is a benefit to the rest of the community and to themselves. They have arranged to furnish to the community cheaper shoes than could be furnished before. They save a big share of the cost of all hand-

work by employment of labor-saving machinery. They save the cost of transporting raw hides away and finished shoes back again, over thousands of miles of railway. They have established a factory that can produce cheaper than one which contains more or less capital. These various savings reflect to the advantage of all. The manufacturers have maximum profit upon capital, *at the same time* that the people have shoes at minimum cost. Who, therefore, can find fault with a combination backed by such motives as governed in the formation of this supposable one.

If the same motives controlled all parties engaged in the manufacture of shoes, what would we see in industrialism as a result? Shoemaking establishments would be distributed regularly over the country in the form of greatest perfection of magnitude, neither too large or too small as respects capital contained, each supplying the territory within its own range. This could not but be, if the same motives controlled as did in the case just described.

Let us now give attention to what would be an unjustifiable combination or one governed by unjustifiable motives.

Instead of shoemaking establishments being distributed here and there throughout the country in the form of smaller but complete concerns, we may find them existing as immense establish-

ments upon few points of the continent, and all under a single management, agreement or pool. Various may have been the modes by which the shoe manufacturers got themselves into this latter form of combination. There may have been a general agreement among all pre-existing independent manufacturers to thus consolidate. Or, the stronger pre-existing manufacturers may have joined together and bought out the weaker manufacturers, or crushed them out if they refused to sell out, and then formed their combination. Or, those who first started into the business, may have, by means of menacing new factories with railroad discrimination, or under-priced sales in the vicinities where the latter should start, kept new factories from ever coming into existence. Whatever has been the mode employed for getting the shoe industry under control of a very few persons, we will suppose that a very few persons have combined to get the shoe industry under their control.

The question then arises, what has been the motive of parties who have engaged in this sort of combination? It could not have been to let the people have cheaper shoes, for they have done that which enhances the cost of getting shoes into the possession of the people. By establishing factories at but few points, probably upon one side of the continent, they have placed a long

distance between themselves and the bulk of their raw material, and between themselves and the majority of those who are to be the patrons for their wares. They have also aggregated the industries into a few enormous or unwieldy concerns which cannot, by any means, produce shoes at the lowest possible cost at which shoes can be made. What can be the motive, then, of those who have combined to monopolize the shoe industry. The motive cannot be else than a motive to profit at the expense of the public. Those who formed the combination cannot have formed it for any other purpose than to enable them to overcharge and underpay in such a manner as to overcome the extra cost of making and transportation and yet to leave them a greater profit than was allowed without a monopolizing combination. A fortune at the expense of the world must have been the controlling thought with them.

There has now been described two forms of combination. One was a concentration of capital for the purpose of having enough under a single management to form a complete shoe factory. The motive was to gain greater profit, not by adding to the price of shoes, but by saving upon the cost of making and upon the cost of transportation. The other was a concentration of capital for the purpose of getting all the shoe

industries under one or a very few managements. The motive was to gain greater profit, not by saving in the cost of supplying shoes, but by setting a fictitious advance upon the price of shoes and forcing the people to pay it. My selection of the shoe industry is not to be interpreted as signifying that the shoe manufactories of the country consist of the one or the other forms of combination. That industry has been selected for mere illustration's sake.

The first form of combination, I call a justifiable combination, and claim that it consists of a due and beneficent concentration of capital. The second I call an unjustifiable combination, and claim that it consists of an overdue and injurious concentration of capital.

The first form of combination I say is right, the second form of combination I say is wrong.

By right, I mean that which conduces to the long-living, comfort and enjoyment of man. By wrong, I mean that which conduces to the contrary.

Now, I ask, what do we work for? In order that we may have those things which are necessary to our long-living, comfort and happiness, or, in short, welfare. Then the more we can produce with a given amount of energy and expenditure the better. That being so, a combination that, like the first one described, gives us

cheaper goods than could be given to us without it, is a combination in the interest of right. The other combination is in the interest of wrong.

We have now dealt with two kinds of combinations, under the designations of justifiable and unjustifiable. These complete the list of combinations formed with a view to profit. They embrace one more, however, than is commonly conceived to be. It is a common thought that all aggregations of wealth are in principle and underlying motives identical. This is an error, and one which I take to be a very grave one, for I believe it to be the cause of so many being unwilling to take strong issue against monopolies, at the same time that they admit that monopolies are the foundation of many serious evils. They imagine that a contest against monopoly is a contest against concentration of capital in every form, and perceiving the benefits of justifiable concentration they refrain from striking a blow at any for fear of doing harm to all.

But the error is a thing of thought. There is as much difference between a combination formed for the purpose of adequacy of capital in a particular trade, and one formed for the purpose of monopolizing an entire trade, as there is between daylight and darkness. There is no parallel between an independent company of shoe manufacturers, doing business in Owago, in competition

with other shoe manufacturers in other places, and a combination composed of all the shoe manufacturers in the United States. Their modes of locating, operating, dealing, attitude toward the public, and attendant effects are diametrically opposed to each other.

A justifiable combination is one which cheapens production and gives more to be distributed into society than can be procured in any other way. It is a combination which has no advantage over the public, and therefor must deal with the public upon the same terms, as regards privileges and restraint, that the public deals with it. It is a combination which makes the same rate of profit upon the unit of energy and capital employed that every other business makes, and therefore gains nothing which it cannot itself use, and will not let others use. It is a combination that appears or dissolves as supply and demand dictate, and does not distort production and enterprise out of all harmony with salient needs. It is a combination that has no selfish designs against the public whatever, but seeks only to get capital into the best paying forms after the example of our ordinary tradesmen, manufacturers and producers, pursuing their vocations all around us.

An unjustifiable combination, on the other hand, enhances first cost of goods, holds the

public by the throat and dictates to the rest of the world. It denies the general public a good living after they have earned it, and piles up products to mould, rust and spoil. It wastes capital in mammoth investments that are only half needed, and forces the people to shift and half-do with constant lack of means. It keeps a million of men constantly idle, divests the common people of their homesteads, and sends the nation whirring along towards destruction.

The nature and doings of these two forms of combination are so entirely unlike that they cannot exist together. While four men control the railroads of the nation, there cannot be a hundred or more different railroad companies doing business in competition with one another, and working out the prosperity of themselves and the people. While the woolen industry is held in the hands of a few parties in the east, there cannot flourish woolen factories in the vicinities where both the wool could be grown and the woolens sold. While there is a coal monopoly in the city of Pittsburgh, Kansas, there can be no flourishing mines at Columbus, Hollowell, Oswego and other places along the coal belt.

Now, if I am right in what I have gone over, we are brought to the question of a choice. "Which shall it be," is the question. Shall it be industries in the form of monopoly or shall it be

the extinction of such form, and in lieu thereof, industries of adequate size and conducted in competition with one another. Blot out the form of monopoly, and you have the other. Have the form of monopoly and the other is blotted out. Blot out the form of monopoly and you are rid of its influences. Have the form of monopoly and you cannot avoid its influences. Blot out the form of monopoly and you rid society of a curse. Have the form of monopoly and you have something there is no necessity for whatever.

Some may imagine that the destruction of the form of monopoly is the destruction of an industry itself. But that is merely an error of the mind. Capital contained in the form of monopolies could no more be obliterated than the earth could be sent turning backward. The monopolists will keep their capital as they have a right to do, but they will never cease to use it as monopolists do while they are allowed to hold it in the form of monopolies.

We hold to these conclusions:

Adequate aggregations of capital into enterprises are necessary to cheapest cost of production and exchange. They and free competition go together, are mutually promotive and are essential to the welfare of society.

Consolidated aggregations, comprising all the industries of a class into the form of a monopoly,

fail to possess the advantages of adequate aggregations, while they lead to all the enormous evils of which society makes complaint.

Where there is aggregation into the form of monopoly, there cannot be adequate aggregations and free competition. The direct contrary of this is true.

Fair taxation will cause monopolied aggregations to yield to the ascendency of adequate aggregations and free competition.

Fair taxation is the true remedy for the great evils which have the monopoly of industries as their cause.

CHAPTER IX.

COMMONPLACE FALLACIES.

I desire in this chapter to bring together some thoughts that are of a sundried and therefore disconnected character.

A common mode of raising money for carrying on vast enterprises like the building of railroads, bridges, waterworks and so forth, is through the issue and sale of bonds and stocks. It is a rule to go to the large capitalists, congregated usually about the money centers, to affect the exchanges. The purchase of securities by the capitalists does not imply that they have undertaken to execute, or have led in any way to the origination of the enterprises their money is to be expended upon. They may have nothing to do with the practical operation of carrying on the works; may never have known of their contemplated existence until sought to invest in the securities of the concerns.

The point I desire to draw especial attention

to is, that the large capitalists are appealed to invariably, or almost invariably, whenever monied means for the prosecution of enterprises are sought to be evolved out of the crude or inadaptible forms of stocks or bonds, based in the ordinary ways. It is a custom to go to the great capitalists and money centers to get securities exchanged for working funds; and the custom is so common that it does not occur to many that that is any other than an unalterable mode of procedure. I think that very many men talked to upon the subject will hold that this practice is a necessary and unchangable one.

These same persons believe also that we could not have great and costly improvements if there were no places where money was found in large collective quantities. In fact they think that the massing of wealth in large quantities into single hands, is what inspires large improvements; that the latter would neither be probable or possible if there were no large capitalists to originate and encourage them for the purpose of getting their funds into investment.

Such views can only lead to the conclusion that the amassing of the surplus wealth of the country into few hands is desirable, or else that great and expensive improvements had best be entirely dispensed with.

But such views can only be classed as misap-

prehensions. When persons have imbued themselves with the idea that great aggregated monied possessions are the originating agents or prerequisites of great performances, they have failed to ground themselves upon genuine facts. They have failed, in the first place, to credit great and expensive performances to their genuine authorships, viz: the demand for them. In the second place, they have failed to distinguish between funds aggregated and belonging to single owners, and those aggregated for the purpose of prosecuting enterprises. It is necessary to have large funds at hand to draw upon to meet the expenses of great enterprises, but it is not necessary for them to pre-exist in great bulk in single hands before they can be obtained.

A ready fund is evolved out of a crude fund, like grants, stocks, bonds and so forth, by sales of and loans upon this crude fund. That the sales and loans are usually or invariably made at the money centers is only an incident of circumstances and not an unalterable mode of procedure. When it is understood why it is that the money is concentrated in a few hands, it will then be made plain why application is made to the few rich invariably to get funds for purpose of pushing forward improvements.

If the gain-exactors had not become unjustly

possessed of the people's surpluses they would not be the sole owners of unfixed or investment seeking capital. If the people were allowed to keep what was justly theirs, *they* would have surpluses to invest in profit bearing securities. Under a fair system of distribution, great improvements would be developed as under the present system, and large sums of money would be raised to meet expenditures, as now is done, but these sums of money would not be obtained from rich capitalists alone. All classes would contribute. All sorts of people from the richest down to the least well-to-do, would have means to spare, and investment would be general, and the fruits of investment would be distributed among myriads of owners, ranging from large to small, and following all kinds of pursuits, and living everywhere.

An illustration will not be out of place. A railroad becomes a necessity somewhere, anywhere, to the extent of provoking a resolve that it shall be built. Preliminaries are gone through with, plans are devised and executed, and in due course of time all is in readiness for the work proper of building to begin. One of the incidents helping to compose the whole round of activitives necessary to execute the work, is the flow of unfixed capital into the enterprise for investment. If the people *needing* the road have not been im-

poverished by the promoters of unfair distribution, *they* will be able to advance funds for the construction of the road. But if they have been despoiled of their surplus wealth by the exactors, the *latter* will become the owners of the stocks, bonds and gifts, by virtue of having been the only parties able to advance funds for the construction and equipment of the road. But whatever be the forms in which the ready capital exists, whether in myriads of moderate surpluses in the hands of the earners of it, or in consolidated aggregations in the hands of the despoilers of the people, it will go into the enterprise, because the enterprise attracts it. It is the essence and nature of money to take unto itself wings, as it were, and wend its way, in large or small quantities as it may happen to exist, to those quarters where it is most wanted, because it there serves its masters best by securing for them the greatest returns. I write this to dissolve an erroneous and mischievous impression many harbor in regard to the way money must be raised for the execution of costly enterprises.

There is no reason, except unfair distribution, why every community should not furnish the funds for the construction and ownership of all its own enterprises, big and little, private and public, railroad and manufacturing. Guarantee the people in common a fair hold upon their ac-

quisitions, and communities would take care of their own enterprises in a manner that would show an even development of the country, home ownerships, home manufactures, and the general enrichment of all. Autocracy of wealth is not natural, it is artificial. Outside ownership is not natural, it is artificial.

Manufacturers, of the present day, impose the burden of racing materials across the continent and back again, for change from raw articles to finished ones, when the conversion could have been managed better at home, and the services of transporters utilized to better advantage. This does not occur from choice. It occurs, because it is the business of monopolists to absorb the people's means, crush presumptive rivals, and concentrate industries to suit their inclinations. Give people freedom and their earnings, and localization of industries would take place, because cheaper, and because there would be funds at home for the work.

Fair terms would not only give us home industries but would also work a radical difference in the plan of founding industries. People would not begger themselves and transmit burdens to succeeding generations in the vain attempt to build up their vicinities. Why? Fair dealing enriches everywhere, and plentious capital, anxious for investment, would be willing to *pay* for the

privilege of anchoring itself where the prosperity of the people guaranteed good patronage. A people able to buy is the sufficient, the best enticer of capital.

Are not bonds of aid a superfluous tribute to greed? Would capital be idle if people refused such aid? Is money less anxious to get into investment than the people are to have the investment? Does a bond add a cent to the money keen for investment? Between the *offer* of bonds everywhere, and the *refusal* of them everywhere, would any difference be made in the general locating of industries? And do the founders of industries advance their own welfare by impoverishing their prospective patrons through bonded indebtednesses? A study of these questions, it appears to me, should lead us into conduct widely different from what it is.

BORN MONEY MAKERS.

Some people entertain the idea that the handling of riches is the gift of the few, and that the quick-bred millionaires of the day have invariably made their money by fair and square contests with nature, as opposed to exacting it from off their fellows. As to natural gift, I admit that fitness of personal endowment will help an individual in his business, but I hold that training is

the main essential for the successful handling of wealth, as it is for the successful doing of anything else. Rear one in the use and employment of wealth, and he will know how to take care of it, and what to do with it. On the other hand bequeath a large sum to a person who has never had control of more than a little, and the chances are largely on the side of his misapplying, and thereby letting a portion of it slip away from him. The banker would hardly make a success from the begining at the new business of merchandizing, and the railroad magnate would fail as ignobly at trying to run a truck patch as the truck raiser would in trying to boss a railroad. Managing capital is a trade like anything else. To credit our quick-made railroad and manufacturing masters with being the *natural* starters of themselves, is to forget what have been the mushroom productions of our land grants, bonded aids, monied gifts, and tariff taxes that have required no higher sort of genius in individuals than willingness to receive. If there lived in this world individuals who could extract from nature hundreds of times faster than the generality of persons, we would get demonstration of the fact in such a way as would convince us. We would see men take hold of a machine and make it to produce a hundred fold in excess of what was accomplished by ordinary persons.

The land would be made by some of these extraordinary men to produce its thousands of bushels, where common culture brought forth less than hundreds of bushels. Such results we never see, however, and therefore cannot grant that there is more difference in the capacities of men to fairly enrich themselves than that incident to ordinary variety.

LET US SEE ARIGHT.

Let us know that we earn to live and do not live to earn. Let us know that we save capital not to look at, but to assist us in getting more upon which to live. Let the capitalists know that capital can get the mastery of man. When railroads and manufactories have become so overgrown as to require all that can be earned with them by the most vigorous extortion to keep them in form and repair, then will the owners of railroads and manufactories be capital poor. Then will they be upon the verge of self-disaster. Then will an adverse season bring on famine and start the nation in a body to weakness and decline.

Looked at from the money making point of view alone, the capitalist has nothing to gain by getting the better of the people. For by so doing he destroys the prosperity of the very class upon whose prosperity his own prosperity depends.

To whom is he going to sell among a people who have been deprived of their means of buying? How is he going to make an industry pay in a country void of other industries to correspond and keep up trade to match? Let us understand that the plagues which harrass us arise purely from plethorea *versus* dearth and that the remedy must be sought in balance.

Let the capitalist understand that contentment with normal pay, upon the principle of "quick sales and small profits," will advance him none the less rapidly, at the same time that it will insure him permanent prosperity by providing him with a public that can respond to his advances with the same vigor that he responds to theirs; that can exhaust the spare he has while he exhausts their spare supply, and that can keep his wheels forever in motion by keeping their own in vigorous motion.

WHOM DOES IT HURT?

Who is hurt by unfair distribution? Every body; the exactor as well as the victim. Then to the stickler for the rights of the capitalist: Would you force him to do that which will benefit him and the race, or let him force us to do that which will harm him and the race? It is force in either case, as you look at it. Which do

you prefer? Which is the design of nature? I say you do not observe your whole duty in being honest to others; you neglect much of your duty in not requiring others to be honest towards you and yours.

Let me say that in making such assertions, I do not mean to imply that I would divest the capitalist of a cent of his possessions. I would force him to disburse his capital in such manner as to make it of real and permanent value to him, and to society in the future. I would stop capital from getting the mastery over man. We do not dispute the necessity of our subjection to the sway of nature. But let us not be mastered by anything we create. We create capital. Let us keep mastery over it.

LEGITIMATE FORTUNES.

We have no complaint to make, as might be erroneously implied, against him who amasses rapid fortune through superior productive efforts. The man who has rapidly enriched himself through a useful invention or discovery is to be extolled. Because while he may have temporarily inconvenienced some he has benefitted all the rest. He has cheapened one product and endeared all others in comparison. He has enabled others to use more of his, yet save more

of their own. He has raised the degree of every man's comfort by requiring less expendure in one direction than was required before. Thus we see, there is a vast distinction between the producer of a fortune and the extorter of a fortune; between him who amasses a fortune out of or through conquer of the elements, and him who amasses a fortune by extracting it from the produce of others. The one adds to the aggregated wealth of the country, the other changes wealth from one hand to another, without making any increase. The one helps us to climb by adding to our accumulations, the other keeps us from climbing by robbing us of our accumulations. The one as he goes up reaches out a helping hand to pull us up after him, the other reaches his hand that he may grasp our accumulations and build of them a monument of pomp. The one ameliorates and sets to advancing, the other burdens and sets to declining. The differences of condition which owe their authorship to the one are healthful, necessary and natural; the differences of condition promoted by the other are abnormal, outrageous, extravagant. Here we see the distinction, and it is plain that there is no relationship between the two modes of self-enrichment.

LABOR COMBINATIONS.

I call attention to this subject to show that there is nothing justifiable in this method of securing welfare. The underlying principle of a labor combination, and the underlying principle of a monopoly are identical. Both are inspired by a motive which looks to the sole benefit of the victorious, though those who are upon the weak and defensive side may not be ready to so acknowledge. They, or some of them, may honestly think that, could they win as they pleased, they would stop at justice, but self-interest forbids any to construe the line of justice to be this side of bare subsistence to others. There is no use in disguising the truth that self-interest is the ruling motive in man, and that self-interest and honesty do not ride together. As long as we indulge in false sentiment for the sake of our feelings so long will we be a thousand times worse off than it we did not. There is but one way to do; that is to acknowledge the supremacy of self-interest and then govern ourselves accordingly. We must admit that a human being with complete authority is an incarnate fiend, and always will be, and that no remedy that looks to placing in power any body of men, in whatever shape or form, in preference to others, will affect the removal of the evils from which we suffer. The remedy

which is productive of good, must be one which places all upon an equal footing with regard to power and restraint.

Labor unions may plead the necessity of self-defense. While the necessity exists, there is justification of the measure, without doubt, but wisdom dictates the dissolving of every need of organized self-defense, through the going back to, and the righting up of, first causes.

STRIKES AND REVENGEFUL VIOLENCE.

Strikes and the resort to violence against the properties and persons of the capitalists, are both impracticable and unjustifiable. Strikes are impracticable, because strikers lose time and wages, seldom carry their points, and have themselves yielded to only when it is thought more expedient for this to be done, and for them to be defeated in the future by detail. Destruction of property is impracticable because it is the people who become the losers. The corporations sustain damages for the destruction of their properties, the perishment of goods, and the failure to execute contracts, which damages are obtained through taxation of the people, the strikers included. Besides, the policy should not be to destroy the results of labor, but to secure its proper use. Further, acts of revenge against capitalists cannot

be based upon good cause. For while we may admit that the exactors have long robbed the people, pitilessly starved them, ruthlessly em. bruited them, malevolently stricken them with disease, and have half shortened their lives, yet the exactors can justly plead that it has been by the sufferance and aid of the common people that they have so done. We have not seen how to prevent exaction, and have therefore unwittingly bred up exactors and given them our encouragement and support, which is to inculpate all in the sin of exaction or leave none to be blamed. The exactor is what the victim would be if he could, and is merely a winner in a state of society which promotes the setting of a class above class. We therefore find no good grounds for practice of violence against the exactors.

WHAT THEY SAY.

"See what a magnificent industry we've got," proudly exclaims the admirer of the American system, "we could supply the world if only we had the market."

That's the trouble, proud admirer, your industry is too magnificent. If a part of the capital contained in it were now in the hands of the poorer classes, they would be covering up their sterner needs, and you would have as much as

you could do to supply the part of the world your industry was destined to supply.

"We cannot pay any greater wages without losing money," says the rich manufacturer.

No, your big industry is twice the size that's needed, and a voracious expense consumer, busy or idle; so the laborer must go on short rations and dine much of his time with Duke Humphrey.

"But we always have paid the highest wages we could."

Then how did you save up enough to build up an oversized industry?

"A big trade with the foreign countries is what we need to rid ourselves of our surpluses and to keep our factories going," says another.

Who would you sell to in the overstocked foreign countries? What would you take in exchange for your goods? What would you do with what you got in exchange? Would you *give* it to the public, you have made moneyless and unable to buy? How would paying higher prices to the public, and charging them less for your own goods, act toward ridding you of your surpluses and keeping your factories down to proper proportions?

"We do not want to degrade the laborers and masses of this country to the standard that exists in the European countries?"

Then, I suppose we are not descendents of the

people of Europe, and possessed of the sort of flesh, blood and hearts, as they? Is it not time a theory was gotten up to prove that the God who creates the European, and the God who creates the American are not one and the same great Ruler?

"The trouble is that we can produce more than we can consume."

More than who can consume; the sewing girls and garret habitants of New-York city? No, it can't be them. Then whose powers of consumption are we exceeding? Let's see. Now we have it. It is the capitalist's. Well, let us see what earnings are for. Only two things; to supply personal wants, to supply capital wants. The capitalist cannot consume his surplus possessions in satisfaction of either of these wants, therefore he has no need for these surpluses whatever, and they are only a worry to him. Now, Mr. Capitalist, why not end the worry by throwing the horrid surpluses over to the poor to be feasted upon and used up by them. The time would sooner come around, then, when you could have the satisfaction of seeing, what you so much long to see, viz: activity of your industries and demand for your products.

"It is 'brains' that gives the capitalist his money."

Just so, but let us see. The middle class, it

must be admitted by all who are willing not to hedge upon facts, are falling behind. That is, they are not earning a living for themselves, and the capitalists are supplying them with the deficiency of food and clothes and taking their properties in exchange for them. The middle class then, in fact, are a great burden to the capitalists. The laborer must be a much greater burden to the capitalists since they have no property from which to earn even partial support. The reasoning carried out must lead us to the conclusion that the public are living by the sufferance of the rich and that the rich are the authors of all wealth in sight. To be this they must have "brains" indeed.

"What would the laborer do without the existence of capital to give him employment?"

Your Genesis reads: "In the beginning God created the heavens, and the earth. Then he created capital. Then he created mankind, that a few chosen ones might take hold of this capital and keep the multitude from starving."

"Population is pressing against subsistance."

So I hear you say, but in the beginning of your tale, you said the trouble was over-production. Inconsistency, thou art a very cheap commodity. I see a world but little used. I see capital but partially employed, and I see a large portion of the population doomed to enforced idleness, yet we

still live. That makes me think if man's energies and his capital could be always employed, and to the best advantage we would be most happily conditioned.

"The practical suggestions of one successful business manager are worth more than the doctrines of all the theorists you can scare up."

Well, if you mean by "successful business manager," him whose judgment has led him into developing an over-sized and glutted industry without looking out for corresponding developments to match, and whose management has never relieved but doubled his necessity to be bolstered with subsidies, tax reliefs, and favors of every kind begged from the public, then I don't agree with you that your "successful business manager's" suggestions are worth a shuck to anybody. I consider him an outright failure, a dead beat, one who could not maintain himself and industry a single season by honorable, independent and self-reliant effort. What would be thought of a groceryman doing a heavy retail trade in New-York, should he move his full stock to a country village and expect within the latter place to do a remunerative trade? And what is to be thought of the business tact of the exactors as a class, who go deliberately about incapacitating the balance of the world from carrying on with

them an even-handed, quick-buying, cash-paying trade?

"We have got the upper hand, and we propose to hold it," comes out as a last retort.

But you may not always have the upper hand. Look at the foes you are breeding in the population that is forced to eke out a precarious subsistence amidst discouragements, deprivation, disgust, discord and disdain. Look at the enemies you are rearing in the job-hunters, semi-charitists, hovel-habitants, hoodlums and tramps. Their condition favors the rankest growth of the elements of combustibility and violence. Feeling that they are the outraged victims of those who are above them, there flows in their bosoms an undercurrent of enmity against all save themselves. Being propertyless, they feel no interest in the preservation of properties. Finding the gateways of responsibility and trust closed to them, they become reckless of what is said of their character or their name. Shut off by their condition and poverty from all the avenues of enlightenment, from schools, churches, newspapers and books, their reasonings and methods partake of the deficiencies of their mental culture. What can we expect from such a class but a readiness for mob-law, anarchism, fire, dynamite, violence and bloodshed. Such things harmonize with their thoughts, their passions, their enmity. They

appear to afford to them the only avenue of betterments, since they feel that law and order is degradation of them and degradation only. Is there no danger to be apprehended from this class? This is a rapid age. Nothing is done by halves. Historic events afford no guage of what might be. I think the capitalist is as blind to this as to every other effect, if he thinks he can escape the eventful wrath of an army made up, in this day and age, of brutish and revengeful spirits.

I shall not occupy further time in elaborating upon the theory proposed in this work. As to its correctness, it would be exceeding the bounds of common sense for me to say more than that I believed in it. I believe no error is made in identifying unfair distribution with the cause of the engrossing evils of society. How there could be unfair distribution without just the evils I have tried to connect with it, or how the evils could be without unfair distribution, I am unable to see. The grievances certainly are bottomed upon earnings. "What are we to do with our surplus *means?*" and "what are we to do for want of *means?*" are certainly the grave but conflicting murmurings of the hour; and both sides have cause for complaint. The poor can appreciate what it is to be short of provisions for present comforts and short of capital to create future comforts.

The capitalist does not lack for provisions of life but he can appreciate what it is to have mammoth factories and mammoth railroads situated among an impecunious set of customers. He can appreciate what it is to have loads of facilities to do with, but without having others half able to tax his powers to do for. But he does not seem to appreciate how he got himself and themselves into the conditions both are in. He does not seem to think that he has over-expanded his industry by destroying his market, and that the continuance of the process will eventually render his own property entirely worthless on his hands. Still, if he does not know how he has misfixed himself, he knows that he is misfixed for we hear his murmurings of complaint, and we know the nature of them. We know the nature of the opposite complaints, and from a comparison can plainly see that the difficulty resembles the case of a ship with its load all too much to one side.

The nature of the difficulty suggest to us the remedy. It should be such distribution of earnings as will establish balance. It does not mean taking from one and giving to another; it means readjustment of wealth in the hands of those who have it, to a basis of prosperity.

I have explained what would be the good effects of industrial freedom or that state of things

in which all men stood upon the same footing with regard to liberty and restraint, none coercing more than he was coerced, and the coercion that was, being the coercion bred of competition, man with man, throughout all society. Industrial freedom does not affect the removal of all restraint. It only distributes restraint and makes one man as powerful as another in its exercise.

But when that is done, everything is done that is desired. Each man then, becomes an effective monitor to watch over all others, and compel the others in their dealings with the public to observe, as well as discover to us, fair dealings. There is inaugurated mutual interchange of watchfulness and check, mutual bargaining, mutual privilege to accept or reject, the absence of any who has more power to dictate than others. Society under such terms becomes a self-regulating machine, valuable because effective for good, and because it relieves people of the necessity of forming, for the prevention of encroachment, restrictive measures that, it has before been shown, are after all, unavailing.

How are we going to have this mutual interchange of privileges and forces, this free competition? Do away with the fundamental instrumentalities by which unfair distribution is executed. What are the fundamental instrumentalities?

Unfair taxation and unfair exchange. To prevent unfair taxation we must substitute fair taxation by positive resolve and enactment. To prevent unfair exchange we must provide for the abolishment of the instruments of unfair exchange which are monopolies. To provide for the abolishment of these we must work through the medium of self-interest and make it more profitable, *at sight*, to not monopolize than to monopolize. By so doing we prepare to effect through the operations of natural law what we can never hope to effect by artificial law.

We place ourselves in such an attitude toward our self-interest that as we are actuated by it so is it best for society that we should be actuated.

CHAPTER X.

THE REMEDY.

The remedy for unfair distribution and its attendant evils is to be sought in taxation of capital at increased percentages along with increased worths, as it exists under single managements or pools.

TABLES.

For the purpose of illustration, I present some tables showing plans of increasing the taxation of properties along with increases in the valuations of properties. The tables may not embrace the best forms that could be devised for the purpose they are designed to effect, but I present them in the interests, subsidiarily, of method, uniformity and ease of calculation. We first assume that the revenue needs, in a specific case, subjects the capital of $1,000 even, to a rate per cent. of tax equalling one cent upon the dollar.

Then we consider $1,000 to be a unit of valuation, doubling and trebling itself, and so on. We add one-tenth of a cent tax when the capital exceeds $1,000, and does not exceed $2,000; two-tenths of a cent when it exceeds $2,000, and not $3,000, the process being kept up as is shown. The tables are constructed with the use of even valuations treated, in all cases except the last, as if they embraced more than their even valuations. The tax upon fractional parts, which are fractional parts of the unit of increase, may be obtained by getting a half, third or fourth of the tax of the unit, at the rate of tax it bears, according as the fraction is a half, third or fourth of that unit.

Values Taxed.	Rates on the Dollar.	Taxes on each $1,000.	Total even Taxes.
$ 1,000	1 1-10 cents.	$11 00	$11 00
2,000	1 2-10 "	12 00	24 00
3,000	1 3-10 "	13 00	39 00
4,000	1 4-10 "	14 00	56 00
5,000	1 5-10 "	15 00	75 00
6,000	1 6-10 "	16 00	96 00
7,000	1 7-10 "	17 00	119 00
8,000	1 8-10 "	18 00	144 00
9,000	1 9-10 "	19 00	171 00
10,000	2 "	20 00	200 00

Subject to this rate, the party with the capital of $2,250 pays one-fourth more than $11.00, or $13.75. The party with a capital of $2,500

pays, for the $500, one-half of what he pays upon $1,000 at the $2,000 rate, or $6.00, and upon all $30.00. So, for other fractions. The last sum, $10,000, being that and no more, pays at the even rate of two cents on the dollar. As soon as $100, or any other fraction of a unit, is added, then it and the fraction become liable for an increase, next above, of tax.

Here is another table showing less speed of variation and increase in the tax. It taxes each person the same upon the first $1,000 worth of capital. Then it raises the rate upon his second $1,000 worth, does so again upon his third $1,000 worth, and proceeds so to the end:

Values Taxed.		Rates on the Dollar.	Taxes.
First	$1,000	1 1-10 cents.	$11 00
Second	1,000	1 2-10 "	12 00
Third	1,000	1 3-10 "	13 00
Fourth	1,000	1 4-10 "	14 00
Fifth	1,000	1 5-10 "	15 00
Sixth	1,000	1 6-10 "	16 00
Seventh	1,000	1 7-10 "	17 00
Eighth	1,000	1 8-10 "	18 00
Ninth	1,000	1 9 10 "	19 00
Tenth	1,000	2 "	20 00

Subject to this rate the operator with a $1000 capital pays $11.00 while the operator with $2,000 pays $23.00, and the operator with $3,000 pays $36.00 and the others pay as simple addition

will show, fractional parts not considered. Experience must demonstrate what rate of increase is the best.

Let us suppose that only three-fourths of what the above tables will produce is the amount of revenue required. Then, beginning with a $10,000 plus valuation, and using $10,000 as the unit of increase, and applying the rate per cent of speedier increase, we have as follows:

Values Taxed.	Rates on the Dollar,	Tax on each $10,000.	Total even Taxes.
$ 10,000	3-4 of 2 1-10 cents.	$157 50	$ 157 50
20,000	3-4 of 2 2-10 "	165 00	330 00
30,000	3-4 of 2 3-10 "	172 50	517 50
40,000	3-4 of 2 4-10 "	180 00	720 00
50,000	3-4 of 2 5-10 "	187 50	937 50
60,000	3-4 of 2 6-10 "	195 00	1,170 00
70,000	3-4 of 2 7-10 "	202 50	1,417 50
80,000	3-4 of 2 8-10 "	210 00	1,680 00
90,000	3-4 of 2 9-10 "	217 50	1,957 50
100,000	3-4 of 3 "	225 00	2,250 00

To get the tax find the full amount and take three-fourths of it.

Let us suppose that instead of three-fourths being required, a half more is required. Then beginning with $100,000 plus and using $100,000 as the unit of increase and employing the rate per cent of slower increase, we have as follows:

Values Taxed.		Rates on the Dollar.	Taxes.
First	$100,000	1 1-2 times 3 1-10 cents.	$4,650 00
Second	100,000	1 1-2 times 3 2-10 "	4,800 00
Third	100,000	1 1-2 times 3 3-10 "	4,950 00
Fourth	100,000	1 1-2 times 3 4-10 "	5,100 00
Fifth	100,000	1 1-2 times 3 5-10 "	5,250 00
Sixth	100,000	1 1-2 times 3 6-10 "	5,400 00
Seventh	100,000	1 1-2 times 3 7-10 "	5,550 00
Eighth	100,000	1 1-2 times 3 8-10 "	5,700 00
Ninth	100,000	1 1-2 times 3 9-10 "	5,850 00
Tenth	100,000	1 1-2 times 4 "	6,000 00

Rapid rate to put an end to the big pools.

Values Taxed.	Rates on the Dollar.	Taxes on each $1,000,000.	Total even Taxes.
$ 1,000,000	4 1-10 cents.	$41,000	$ 41,000
2,000,000	4 2-10 "	42,000	84,000
3,000,000	4 3-10 "	43,000	129,000
4,000,000	4 4-10 "	44,000	156,000
5,000,000	4 5-10 "	45,000	225,000
6,000.000	4 6-10 "	46,000	276,000
7,000,000	4 7-10 "	47,000	329,000
8,000,000	4 8-10 "	48,000	384,000
9,000,000	4 9-10 "	49,000	441,000
10,000,000	4 5 "	50,000	500,000

This looks like a heavy rate of taxation, but how many of the ordinary farmers and merchants are there who have to pay even a higher rate than this? Go and examine your tax receipts.

Taxation upon this plan I have denominated "fair," partly because I had need to make use of some distinguishing term of reference, and

partly because I believe the object sought by it justifies the use of the term.

Fair taxation I believe to be a justifiable resort of man for the profit of himself. My reason is that it would affect the well-being and happiness of man How? By opening the way to industrial freedom, whence would proceed free competition with all its advantages. Name these advantages. They are in the main, general equality of rate in the profitableness of industries, general equality of supply with demand, general equality of reward with earnings, constant activity of energy and capital and rapid and uniform progress of the human race. The special process by which these ends would be reached has been treated upon in the body of this work. But I shall try to indicate a little further what would be some of the intermediate steps toward that final and proper adjustment of affairs which it is the province of fair taxation to accomplish.

It will not be denied that the order of the day and age is the centralization of capital into the form of monopolies, the provocative being, as I claim, false taxation. What we want, I claim again, is the discouragment of such centralization, and the resolving back to a state of normalcy, that capital which now exists in the form of monopolies. Fair taxation would place the forces of

normalization in the ascendency—stop further combination of industries into the form of monopolies, and reduce existing concerns of the kind to a state of normalcy, afterward keeping them there.

What I consider to be the normalcy of industries is the existence of them as adequately capitalized concerns, operating independently of each other, and situated to best advantage as regards both sources of supply and sources of demand.*

The normalization of existing monopolies could be expected to be active and vigorous immediately succeeding the enactment of a fair tax law. The motives which stimulated to it would be various, that of necessity being uppermost, and I cannot explain them in smaller compass than to embrace them in language, issuing direct from the mouths of the men who would be the interested actors in the scene. We may suppose that the stockholders of the Three-profit industry have met again in council, but this time to consult somewhat out of the common fashion. In

* Lumber will always be manufactured where the timber grows, but normalcy would be the manufacture of lumber by many different companies, with mills of adequate size, and doing business independently of each other, as opposed to the manufacture of it by a few big companies, with great clumsy mills, and all joined in a grand pool for the keeping up of prices. Such industries as could be would be distributed evenly over the country and in the communities it was their purpose to supply.

council met, Goldhunter in the chair, Longhead upon the floor, let us take note of what might be expected to compose a part, in essence, of their deliberations.

Mr. Longhead: "It is not worth while for us to think of contending against the inevitable. We no longer stand upon vantage ground. Indeed we are at absolute disadvantage. Our industry at best is cumbersome and costly to manage, our trusted superintendents, upon whom so much depends, are only half watchful of our interests, and our markets and sources of supply are in the main distant, situated as we are here upon a single point of the continent. These are not contingencies calculated to enable us to cope with others more favorably situated in these and other respects, to say nothing of the drawbacks imposed by excessive taxation. We must make haste to get ourselves as favorably fixed as are our competitors. At least we must agree to terminate our combination, and to let each stockholder take such action in the future as suits him best."

Mr. Blockhead (interrupting): "Why, Mr. Longhead, I am surprised. Can we not raise prices to meet this unrighteous tax?"

Mr. L.: "My dear sir, it pains me to tell you that we cannot raise prices at all. With new factories springing up everywhere we must sell for what others do, or not sell at all."

Mr. B. "But can't we flood the audacious aspirers out, as we have always managed to do?"

Mr. L. "That was practicable when our advantages gave us profits that afforded us a large squandering fund, but the plan is not practicable now. Besides, the railroads are also preparing to divide up and we would have to bargain and chaffer with a dozen companies every time we wanted to get discriminating rates. We could not succeed."

Mr. Soberman. "I cannot say that I am exceedingly loth to withdraw my interests in this concern. I would like to start my son in the same business upon a smaller scale in another part of the country. He will then have the advantages of interested personal supervision—the supervision of himself—and nearness to market. He will have also something that is subject to better control, and therefore more profitable to *him*. I know we have argued that we have cheapened processes by bringing our means together in extensive bulk, but we have had a motive in arguing so. We are aware that the cheapening of processes is due more to the inventions and contrivances of our practical mechanics, than to anything else under the sun. I believe I can start my son in the west with a *complete* factory, small enough not to be cumbersome, and large enough to contain every ap-

pliance and device needed for his business, and, with the wool and hides, and buyers of his wares all at his door, be putting him in a situation to sell at figures to surprise us and yet enrich himself much faster than he could here do under the best of conditions in our favor. I do, indeed. Aside, I am afraid if he is not put into the business and drilled upon details, he will not have skill enough to protect his interests after I am gone. He could not now marshal a wisdom with the affairs of our business, that would be of efficient worth as a shield against the shrewdness of any unprincipled practical manager, if any such there be, in this concern; and the danger is not altogether an unprospective one of some of them taking his place in the ownership of my possessions."

Mr. Float: "Those suggestions strike me with the aspect of a ray of hope. I see the necessity of us disorganizing ourselves and it pleases me to see that some good and not all bad is to come of it. Besides, I am led to have a little faith in this contrary doctrine, and if it could be that the cause of our present inconvenience, could be also the cause of constant activity in the future and cause of relief from strikes and from turmoil with employes, what an improvement would it be. There is loss and embarrassment attached to tearing up and separating. But how much do

we lose now from differences with our men, and from over-production of wares and from idleness of our capital. I am not much dissatisfied with the necessity to terminate our union."

Chairman Goldhunter: "It is a matter we cannot avoid. Something must be done to save us. Therefore let us meet again and again until we have settled upon the best way out of our undesirable situation, and may it come to pass, as Mr. Float is not loth wholly to despair of, that what we are compelled to do, may bring us good instead of bad."

This, to my mind, prefigures what would be the order of the day, until a state of normalcy or naturalness had been reached, after the enactment of fair tax law. Industries would seek, first, to reduce themselves to the smallest size compatible with sufficiency of capital, and they would seek, secondly, to locate themselves with the greatest advantage as respects both buyers and sources of supply. Expressed otherwise, the tendency would be to a general planting of industries everywhere upon the basis of smallest size that afforded completeness, in obedience to the enforcements of free competition. To illustrate. We may say that a shoe factory cannot be properly stocked and operated with a smaller capital than a sum of $50,000, but that $50,000 will suffice to provide such a factory and fill it up with all the most im-

proved machinery, tools and the devices for the making of shoes, and for the keeping in constant supply the proper amount of leather and other material for the successful pursuit of the business. If this be so, then $50,000, without much variation from that sum, will constitute the valuation of the various shoe factories of the country. The fear of high taxes would keep shoe factorymen from enlarging their factories above that valuation, while the disadvantage of lack of machinery and other capital would prevent them trying to do upon less valuation. One motive would be to avoid high tax, the other would be to avoid a saving that would bring greater loss in lack of efficiency.

As it would be with the shoe industries so it would be with all other industries. Those which could be formed into completeness upon a thousand dollar valuation would generally be found to be conducted upon a thousand dollar valuation. Those that required hundreds of thousands of dollars to complete and run to best advantage would be conducted upon the high priced basis. But the basis of completeness would not be overreached, nor would proximity to communities sought to be supplied be made objects of disregard.

The motives which induced to the lessening of industries to the size of sufficiency would be two:

first, to profit from low taxation; secondly, to profit from the commodiousness of handling small capital. The motive to locate nearest to patrons and market would be to profit from saving in transport costs. We thus see that when we *start* the desire to profit from low taxation we *arouse* the desire to profit from natural advantages. The arousing of the desire to profit from natural advantages is due to the fact that when we have, by fair taxation, shorn persons of the privilege to profit by artificial advantage, then they must resort to every natural advantage that they can think of, or see themselves outdone, and left to suffer, by the more enterprising. They must come to such terms as will accommodate the public, since they can no longer force the public to come to such terms as will accommodate them.

I have elsewhere explained the advantages that sufficiency of capital has above superabundance and need not occupy more time upon the subject here. Aside, the smaller the capital, the greater the profit, so the capital is up to the limit of enough, is a maxim that no one will deny. I can therefore proceed to predict in another form a general result of the influences brought to the top by fair taxation. This general result is the exhibition of local centers of industry everywhere, with sameness of valuation in each distinct industry belonging to the same class. Thus, fac-

tories that it cost $50,000 to complete would be found as $50,000 factories. Thousand dollar businesses would be run upon one thousand dollar bases, and so with all others. And the distribution as to places of business would follow the same law of necessity. Manufactures of woolen goods could not collect themselves upon a single spot of the continent and compel people to hire their wools hauled to them and their woolens hauled back. They would have to come to the people or get no trade. They would have to respect the demands of east and west, north and south. They, and their brother dictatorialists in other affairs, would have to assume a radical change of policy in their money-making endeavors.

WHO WOULD PAY THE TAXES?

Let us now see how the tax burdens would be distributed *after* industries had been reduced to the state I have described, or the state of normalcy.

The shoe factories of the nation being of uniform size, they each would pay the same rate per cent. of tax upon the dollar. The lumber manufacturers being uniform in wealth, they each would pay the same rate of tax. That is, in each class of industries, the branches or divisions thereof being of uniform worth, the branches or divisions would each pay the same

rate per cent. of tax upon the dollar. There, therefore, would be no partiality as between the different members or firms engaged in the same kind of business.

Now, as to the classes of industries which must be possessed of large capital, like the railroads and some classes of iron industries. They would have nothing to fear from cheaply taxed competitors in their lines of business, since there would be no cheap competitiors.

They, therefore, could effect a recovery in their dealings with the public in such a manner as to equalize the tax burden everywhere. And that is what it ends in. An apparently partial system of taxation effects thorough tax equalization. In other words, the large dealers are not prevented from charging the balance of the public to make up for the extra tax they pay, and thus to secure the same rate of profit all other businesses receive.

What now becomes of the objection to taxing capital at increased rates according to increased worths? What other plan will affect equalization of taxation everywhere? How are we going to equalize taxation over all, a thing that has never been done, except by the method here proposed? The circumstance that saves the large industries is the *natural* monopoly they possess

up to the amount of least capital that can encounter with them in similar trade.

How different it is with the middle class today. They pay the largest rate per cent. upon the dollar of any class of tax-payers. Indeed, fair taxation reversed and exaggerated is something like what they are made the abutments of. The poor are favored with legal exemption, as a rule, while the rich favor themselves with tax evasions of their own making, that are too notorious to need description. It results, therefore, that the middle class pay the heavy taxes; but as they can have no say whatever as to the prices they must get, the exactors settling everything for them, they have no chance whatever for indemnification of themselves. This is downright imposition, while there is not the least savoring of unfairness in taxing those most highly who have a chance for recovering back.

THE METHOD OF LEVY.

Let us understand how this tax is to be applied. The values to be taxed must not be based upon individual or corporate wealth without regard of what that wealth consists of. The worth to be taxed is the worth of the one industry, or several of the same class, which belong to a single combination or management. John

Thompson, for instance, may be a stockholder in the coal industry. But we do not care anything about what he is worth or what else he owns. We want to get the worth of the coal property or properties his corporation controls, including all coal lands, worked or unworked, all buildings, tracks, mules, stores, and everything connected with the coal industry under that company's control. And if the corporation operate, own or control, or have pooled with several different mines in several different places, and have coal yards in several different cities and towns, we want to place the assessment at what the percentage will make it upon the aggregate value of these. If they arrange with transportation companies for discrimination against others, add to the assessment value the capital of the transportation company also. The assessment wants to be put upon a valuation that is co-equal with the combination. This will encourage the stockholders to divide up and compete with one another, and to keep clear of combinations with transportation companies. Of course, state and national assistance will be needed to get the values of combined properties in some instances, especially with railroads, but when the local assessor has the valuation furnished to him, he can make the assessment according to the rule upon all the pro-

perty within his jurisdiction, and it can be collected in the same local manner. The valuations must be put at real worths, the same to be arrived at by aid of bonds, stocks and so forth.

If John Thompson has manipulated matters until he himself owns all of the coal mines and coal territory in his part of the country, and the taxation is hurting him much, he has a way out of the difficulty. He can sell a part of his coal property and invest in the lumber industry and the flour industry; which industries will be valued separately. He will thus be entering the field against other lumbermen and other flour manufacturers, and making himself a competitor with them. He will take good care not to combine with them too extensively. It is very likely that he and some overloaded lumberman will make exchanges for the mutual benefit of each other.

Industries that cannot be conducted with small capital, as has just been explained, will not suffer from their correspondingly heavy taxation, because they will not have any lightly taxed competitors to prevent them from charging enough to make up for the heavy tax. Railroads are an example. If in some natural way wealthy concerns can keep out competition and handsomely put it to us, we can receive some consolation by musing upon our authority to put the taxes to them.

Railroads may talk about the advantages of through lines and the cost to the public of unloading and reloading between connections, if the roads are divided up, but the people will be willing to forego those advantages and to foot the extra bills in consideration of other advantages received. Besides, the railroads will find a way to pass cars over one another's lines for the sake of pocketing what would otherwise be the cost of unloading and reloading.

How would the change from combined industries in single spots to that of uncombined industries generally distributed affect the railroads?

Through traffic in the goods of particular industries would decrease, but the loss would be more than made up by increased local traffic in the same goods. The general prosperity of the people would make increased travel as well as make such a demand for all classes of goods, that the through traffic on what *must* be through would increase immeasurably. The exactors, as a class, could make no better investment than to cheerfully give support to a cause which has for its object the development of the rest of the country to a state to match their own over-done industries.

How about means to meet heavy taxation? The exactors are not suffering so much from want of means as from want of good opportu-

nity to invest means. Such a tax as is proposed would afford them an opportunity to invest a part of their means in the most profitable way that could be thought of, viewed from their own or anybody elses standpoint, at the present time. It would adjust all industries to a paying basis. When that was done, and prosperity became general, and public and private indebtednesses extinguished, as they rapidly would be, and the necessity for government control and restriction was reduced to the minimum, as it soon would be, taxes would be very nominal, and the law would stand rather as a menace against combination than as a means of raising revenue.

Does this tax possess the virtue we claim for it? The best practical example we have is our tariff tax. It has formed an effective barrier between us and foreign encroachers. Why will not this tax, which is upon the same principle, then do for us, as against home exactors, what the tariff does for us as against foreign exactors? The tax is simply a tariff interposed between the exactors and the masses without regard to ocean or boundary line, and there is not an argument that can be advanced in favor of protection against foreigners that cannot be applied with exact adaptitude and propriety in favor of the system of fair taxation here proposed.

RATE OF TAX INCREASE.

It may be asked, what is the rate of increase in tax proposed to be established under this system? The answer is, the lowest rate that will suffice to bring about and maintain normalcy. No greater rate of increase should there be. To increase the rate beyond what was necessary to create normalcy would be to give an advantage in tax that would allow imperfect and uncheap industries, because they were small, to drive out larger and perfect ones. Judgment and experience must establish the exact rate. My opinion is, that a greater variance will be required to drive to normalcy than will be required to maintain it after it has once been established, and I believe a very slight variance will suffice to maintain normalcy—a perfect system against evasions being understood or premised.

PERSONAL SATISFACTIONS.

I would not tax any property used especially for the living, comfort and pleasure of man, as his house and contents, his pleasure horse and buggy, his cottage at the summer resort, his anything not designed to be used for increase of his wealth.

My reasons are:

1. The capitalists having it in their power to recover in their dealings with the public in such a manner as to equalize taxation, it makes no difference to them if people that have no capital pay no tax at all.

2. Rich, medium and poor capitalists possessing about the same ratio of capital to their household and pleasure property, it makes no difference to them whether the tax is placed upon the total of their property or upon the capital alone. Each would have about the same amount of tax to pay any way.

Then if we relieve household and pleasure property from tax altogether, those having plenty of means will indulge in extra expenditure in this direction. This will make it better for those having small means, by increasing the demand upon their energies and capital. It will tend to check the speed of wealth increase among the wealthier, and to accelerate wealth increase among the less wealthy, thereby providing for improved social relationships.

INCOMES.

Incomes should not be taxed. It discourages industry. Tax the capital from which the income is procured, and the capital will be stimulated into activity in order to get the means to pay tax

with. There is neither reason nor justice in making one pay a penalty for exceeding another in enterprise and production. Place the tax where it will punish negligence. Then we have to wait but a season until what income is to become capital will settle itself there, when it will be subject to taxation.

Upon this plan, the farmer pays tax upon the value of his land, stables, work horses, machinery, tools and seed, but nothing upon the crop raised. The merchant pays upon his building and the average value of stock carried, but nothing upon the amount of business done. The manufacturer pays upon the value of plant and average raw stock kept on hand, but nothing upon finished products. It would tend to the making of most out of what was had.

The tax upon capital alone does away with the objectionable feature of inquisitorialism and is the easiest in all respects to be laid and collected.

MONEY.

Money, in the promiscuous hands of the people, it would be safe to omit from tax. In the hands of lenders it should be considered as capital and taxed accordingly.

RIGHT OF TAX REGULATION.

That it is a function of the taxing power to exercise itself in the regulation of industrial affairs none will deny. It is constantly being so used in the tariff, subsidies, excise and in other spheres.

TARIFF.

Could all countries be influenced to adopt a fair tax law, then no country adopting it would need to supplement it with a tariff law. The chance to encroach would be abolished everywhere. Until the law was established by all nations, however, those adopting it would have to adopt one for those who neglected to do so, by going up to the boundaries of their own nation and interposing a tariff. Should we adopt a fair tax law and remove our tariff, foreign exactors could soon flood us with their cheap surpluses, ruin our industries, get us in shape to suit themselves and then exact off us at will. The fact of an ocean or boundary line being between us and the exactors of other nations does not relieve us from the necessity to provide against them, as we must do, if we would have justice, against our own exactors. Nor can he who argues for protection against foreign exactors consistently argue

against protection against home exactors. The objects of both agree.

It is not my purpose to discuss here what rate of tariff duties should be in general interposed to give us protection against the designs of foreign exactors, because when the time comes that we have a fair tax law we will be better prepared to settle this other question. In the fixing of a tariff we want to arrive at a mean between extremes which will not permit foreign exactors, on the one side, to easily swamp our industries and get the field to themselves, and which will not keep us, on the other side, producing many commodities that could be gotten cheaper by exchange. That mean or the various means, will not be harder, but easier to establish under the light of free competition than under present lights, while free competition, with our duties as they at present are, would be an immeasurable improvement upon present affairs — improvement sufficient to make other nations soon follow our example, when we could do away with tariff altogether.

An exclusive market as against outsiders, with free competition within for the adjustment of prices was the ideal sought after by the early champions of protection, and not the right to overcharge. Alexander Hamilton says, in speaking of the benefits of protection, "When a domestic

manufacture has attained to perfection, and has engaged in the prosecution of it a competent number of persons, it invariably becomes cheaper. Being free from the heavy charges which attend the importation of foreign commodities, it can be afforded cheaper, and accordingly seldom or never fails to be sold cheaper, in process of time, than was the foreign article for which it was a substitute. The internal competition which takes place soon does away everything like monopoly, and by degrees reduces the price of the article to the minimum of a reasonable profit on the capital employed. This accords with the reason of the thing and with experience."

Hamilton foresaw competition, instead of monopoly and thought in providing against foreign monopolists, that was all that was necessary. It did not occur to him that it was as easy for monopolists to grow up in America as it was for them to grow anywhere else.

Horace Greely says: "But with what reason, with what justice, does any one say that an import or tax on imported iron or nails, cloth or cutlery, creates a monopoly?" He did not expect, did not look for monopoly tosucceedcompetition. He supposed that there were persons abroad who would, if not held back, prevent free competition between us and them, but it did not occur to him that persons would rise up within our own boun-

daries and take the place of those abroad. But human nature is the same everywhere, and if the fellow across the line must have restraint, the fellow similarly situated on this side of the line must also have restraint.

A protective tariff law is an enactment half way along in the right direction. It needs to be supplemented with a fair tax law to form a perfect piece of work. Unsupplemented with a fair tax law, it is of unavail forgood whatever. When we create a protective tariff, and rest at that alone, we as much as say to others: "Begin your vocations within our domain, and we will protect you against encroachments from abroad; we will also insure you the right to levy at will from our people at home." Or, it amounts to declaring to exactors abroad: "You dare not plunder our people from where you stand; come across the line with your institutions, and we will issue you a free plunder permit." To carry out the complete objects of tariff we must arrange so that persons cannot do within our boundaries what we will not allow them to do while they remain outside. We want no monopolization and one-sided dictation whatever; and while a tariff must be had to shield us against the *influences* of exacting combinations abroad, the fair tax law must be had to shield us from the *existence* of exacting combinations at home.

LABOR AND CAPITAL.

Would this plan of dealing with society end the strife between labor and capital? Yes, by creating the common enrichment of all, when the interests of labor and capital would be merged in the same individuals and leave no room for cause of quarrel.

TAX ON LIQUORS.

As this is a question which would come up in the general discussion upon tax reform, I append a few remarks upon the subject. My opinion is, that the government should not stimulate the manufacture and sale of liquors by taxing the occupations, or give tone and sanction to the business by accepting profit from them. My plan would be to license, say the retail druggists, free of charge, to handle and sell. Then I would require them to get their supplies through salaried officials, whose duties it were to keep a record of the supplies, and where they went; and to make out, for public display in the drug stores, schedules of the cost of the liquors per quart, pint, or however they would be sold. The schedules would be for the guidance of the public and the cost prices are the prices at which I would require the liquors to be sold. The drug-

gists would not engage in liquor selling then, except as they expected to profit from the extra drug custom attracted. This would be putting the thing upon the basis of a profitless concession to depraved appetite, and be laying the foundation for the eventual stamping-out—other measures brought in aid—of an existing evil. Glass tanks for containing the liquors, and measures of public display in general, would be guards against adulterations, deception and so forth.

WHO MUST LEAD.

The question may now be asked, who must lead us out of the evils of exaction. There is no doubt, but that exaction is an evil to all, both exactors and the people. But it is not at all probable that the exactors can be brought to accept such a conclusion in advance of contrary experience. The slaveholder contends and battles for the institution of slavery until experience has taught him the advantages of treating with all as freemen, and the exactor must be expected to contend for the institution of exaction until he is driven to see the worth of a better system. To look for a different thing, would be to look for what was at variance with past experience. Masters have always sought to keep the advantage, have always been blind to every benefit

except such as the mastery gave, since the biases and prejudices, and satisfactions born of exaction and of the ideas that they dwell upon the sweet side of affairs, prohibit masters from doing or seeing otherwise. Such being the case, then, what is the plain duty of the masses in the matter, if they would rid themselves of the evils of exaction? To take the lead and act for themselves. To look to self help for the way out of their ill-conditionedness, since that is the only help of worth, the only help they deserve and the only help they will ever get. Let them determine upon what they want and issue their orders from among themselves. When they know they have a champion at the law-making quarters, let them send others from amongst themselves to back and sustain him. Let them refrain from picking their men on account of glibness of tongue, social influence, good dress or stylish manners. Men can be got who will be less apt to sell out than him who thinks it is his first duty to keep up with best society, his second duty to find the money to meet the expense, and his third and last duty to look after his re-election. I would say to the masses, pick your man for honor, will and probity. Tell him, you are the *sovereign*, he is the *agent*. *Employ* him, and *instruct* him as to his duties. You will not be likely then to fail in accomplishing what you want.

Now I think the choice lies in one of these two —for the exactor to do that which is an injury to him and the race, or for us to do that which is a benefit to him and the race. Which shall it be?

ADDENDA.

SUBSIDIES.

According to the principle we have been advocating, subsidies are bad from the standpoint both of receivers and givers. An industry that must be coaxed into existence anywhere with a bounty is one that otherwise refuses to appear, because, in the judgment of projectors patronage will not justify the creation of it. Then, if before a bounty is offered there is no show for a certain business to pay in a certain community, there is still less chance of its paying *after* the bounty givers have disabled themselves to the extent of what the retention of the bounty would have helped them to make of themselves good patrons. Investors who are asked to take stock in an enterprise that is the recipient of all sorts of aid, representing the self-imposed burdens of the community in which the enterprise is to be, should inquire if the aid the enterprise was getting, was what influenced parties to locate their enterprise

in such and such a place. If answered in the affirmative, then they should refuse to invest in the enterprise at all, since the evidence is *prima facie* that the investment will not be a paying one. If told that the community will grow up to the enterprise, then they should remember that the community has imposed upon itself a burden to bring in an elephant, and will have to contribute in the future to keep the elephant alive and that the two burdens are more likely to keep the community at standstill or decline than to allow of its making any advance. There can be no poorer incentive for the introduction of an industry anywhere, than the offer of bonded aid. It is simply an attempt of a people to entice an industry into an unwarranted quarter by the device of rendering themselves more unfit than they already are to receive the industry and do justice to it in the way of future support.

People who are asked to vote bounties in these times of bounty giving, in aid of enterprises, should remember that "bonds of aid," do not add a cent to present means of investment. They are a mere something to get money out of the people in the future with. They add nothing to the money which is waiting for a chance of investment. The money which is going into a new railroad, that there is no present need for, is money that is already accumulated; money that is seek

ing outlet in an unneeded railroad, because it sees no better chance of investment elsewhere; money that has become piled up in the hands of exactors through extortions upon the people; money that would not be idle, if people refused everywhere to give bonds; money that is as anxious as can be for investment, and that would, in the event of no bonds being offered anywhere, simply come out and invest itself where it thought the future offered the best reward.

People who are asked to vote bounties should content themselves with answering that they preferred to keep their wealth for the enrichment of themselves, when they either could establish their own industries or afford such patronage as would make outside capital glad to settle in their midsts. By keeping themselves out of debt they would sooner bring themselves up to a state when new industries were really needed and had a substantial foundation to build upon. They could not then keep out new industries if they tried. New industries would come in in spite of things and prosper, while subsidized industries, and the communities they burdened, were yet languishing in successlessness and disappointment.

Suppose that A and B be rival towns. A firm of pork packers, we will say, do not think that the sales of pork in these two towns and territory round about would justify their going into the

packing business in either town. They will erect a packing house, however, in the one of these two towns which will donate them $20,000. Which would it be best for A to do, to raise the donation herself or to encourage B to raise it? Let us follow and see. If A issues $20,000 in bonds and presents them to the firm she will in due time have the debt and the packing house. She will also have an influx of 100 laborers who will patronize the stores and an influx of a proportional number of new stores to share the increase of patronage. She will further have a packing house that is not a paying institution, since the issue of bonds by the town of A did not tend to increase the demand for pork in A and B, and territory contiguous. Which place is the best off? A who bribed the packing house to settle within her limits or B who did not? If you agree with me that B is the best off then you will agree with me that when an industry cannot see its way clear to make itself pay in a certain quarter without a bribe then it had better not be encouraged to come. You will also agree with me that when a town thinks of bribing an industry to settle within her limits, then neighboring towns will do well to stand off and let her bribe. They will get the benefit of having the industry within reach of them without becoming the immediate burden bearers of it.

This illustration applies in a case where the demand for the articles proposed to be manufactured is not sufficiently strong to insure prosperity to the industry proposed to be established. Then if we apply it to a case where a monopolied institution away off somewhere, has it in its power to flood the markets contiguous to the new industry, or to get railroad discrimination against it, for the purpose of ruining the new firm, we will find that A is infinitely worse off than B, since she will soon have in return for her bribe, nothing but a bonded debt, a big rat harbor and an overgrowth of population and business houses.

Apply the case to a railroad, the purpose of the managers of which is to drain the country through which it runs of everything the inhabitants can produce except a meager living, and we have an example of the highest sort of foolishness in a people who have bonded their towns and townships for the sake, as they were made to believe, of getting the road. They have fixed themselves so as to be without any chance whatever for future improvement. While to have refused bonds could not have resulted in material, if any, change of course in the road, yet it would have been better, could it have been done, to have kept the road out of the country altogether than to get it in with a deadening bribe. Preferably to admitting into a country railways

whose only object is to suck and drain, the people should arrange to live within themselves by providing for homespuns and home-mades. By the adoption of such a course they could keep what increase they *did* make, if the increase was not as rapid as that which would occur with the aid of a railroad conducted upon fair dealing principles.

In the event of fair taxation communities would not want for the establishment of industries within their midsts. The contests would be between capitalists to gain entrance and none would think of estranging the good wills of communities by proposals for bonded aids. Aside, bond issues will not be popular when the rich, who dominate affairs, are principally taxed for the payment of them.

CONFIRMATORY ARGUMENTS.

It is not the aggregation of capital that is hurting the country; it is the monopolization of industries.

Capital must combine to give us cheap productions — cheap food, cheap clothing, cheap everything.

If you prohibited the combination of capital, then you would prohibit the construction of factories, of railroads, of every device designed to assist the people in supplying themselves with their wants.

You would say, "Live and do as your primitive ancestors did;" and you would make no use of the inventions and improvements that are the mark and evidence of our civilization and advance.

But you do not prohibit the combination of capital when you prohibit the monopolization of industries. When you prohibit the monopolization of industries, you do not say, "Capital shall

not engage in industries as largely as it wants to;" you only say, "You shall not combine all industries of a given kind into a single concern."

The opponents of monopoly want to see flourishing railroads, factories, and industries of every kind; but they do not want to see all industries of certain classes monopolized by persons who want to make hogs of themselves.

Between a pursuit conducted as a hundred independent and adequate sized affairs, and the same conducted as one mammoth concern, there is a world of difference.

Remember, you do not prohibit the growth of industries when you prohibit the monopolization of them.

Industries must be, and if they cannot exist as single enormities, they will exist as adequate sized, but independently operating concerns.

If individuals monopolize a few of the indispensable industries of the nation, then they have it in their power to absorb the profits of all other industries. If the railroads are combined under single managements, and the iron industries are so combined, and the petroleum industries are so combined, then the owners of those industries can force all others to put up with a mere living and nothing more. They have it in their

power to do so, *and such is the character of human nature that they will exercise that power.* You cannot persuade them from so doing nor prevent them from so doing.

How can they exercise that power?

By charging you what they please for their products and services and paying you what they please for your products and services.

But what enables them to do this?

They have the exclusive trade. There are none others to whom you can go when in need of the services and commodities, which they control. You must submit to the terms they propose.

But can the people not get along without dealing with the monopolists and thus save themselves from imposition?

Yes, if they can dispense with railroad service, and with iron and lumber and many other articles which are the product of monopolized industries. But they cannot dispense with them. Not any more than they can go naked or pay taxes and debts without money.

Thus it is seen if individuals monopolize a few of the indispensable industries of the nation, they have it in their power to absorb the profits of all other businesses, *and they will do so.*

They will render it impossible for the remainder of the people to prosper. Let the remain-

der of the people by harder work or improved processes produce increased sums, and the monopolists will increase their demands to cover those increased sums. Let the remainder of the people resort to the practice of greater saving in order to get ahead, and the monopolists will compel them to continue the practice. The monopolists have it in their power to regulate the amounts the people may retain, and all they will permit the people to retain, produce they much or little, is sufficient to let them live and keep on producing. Under such unfortunate circumstances it is idle for the people to think of improving their condition.

When a pursuit of any kind is carried on by several different parties, each acting independently of all the rest, then there can be no extortion. Because if people are not *bound* to deal with one party alone they will *not* deal with him if he attempts to extort. They will exercise the privilege of going to some one else. If we had one hundred or more railroad systems instead of four as now, then we would have fair rates.

Because the people could pass from one railroad to another and bargain, as they do from

store to store. Competition is the secret of fair dealing.

But when is there competition? When one pursuit is not monopolized. When a pursuit is conducted as several different entireties instead of a single entirety. When you can say: "I would rather deal with this party than with that, because he gives me fairer terms," instead of saying, "I must submit to the extortion of this party for he controls the whole business." When there are several different establishments engaged in the same kind of business, and these establishments are carried on independently of each other, then is there competition.

Competition can only be between businesses of the same kind. There can be no competition between a shoe dealer and a grocery man. They do not handle the same kinds of goods. A grocery man might he surrounded with a dozen different dealers whose stocks consisted of other things than groceries, still he would have no competitor if he was the only party that sold groceries.

This, then, let us understand: competition can only be between *different* parties engaged in the *same* classes of pursuits. And let us understand that where competition is, there can be *no* extortion, but that where there is no competition, but monopoly, there *can* be extortion and *will* be

extortion, and that when monopolies embrace a share of the indispensable industries of the nation, then the extortion *can* be and *will* be so guaged as to absorb all the profits of all other industries.

Against extortion, then, what answer?

No monopoly, no extortion. Then, to rid ourselves of extortion we must rid ourselves of monopolies. That is the only effectual course to pursue. Monopoly is the cause; extortion the effect. The effect cannot be removed while the cause remains. It is useless to think that it can. Monopoly and extortion are as inseparable as sunset and darkness.

But should we accomplish the extinguishment of monopolies, would that not be accomplishing the extinguishment of the very industries embraced in the monopolies?

It is a popular fallacy that it would. Many people imagine that if those industries which are now monopolized, could not be maintained as monopolies, they could not be maintained at all. But such thought is as wild a fallacy as ever was harbored in man's mind. It is not essential to the existence, for instance, of railroads, that there should be but four systems. A hundred or more systems there could be just as well, and if there were a hundred or more systems competing with one another, instead of four systems as now, it would make all the difference between the pre-

sent and what would be, that there is between decadence and progress, between adversity and prosperity.

How will we rid ourselves of monopolies?

Employ the taxing power. Provide for increased rate of taxation upon those who combine adequate sized industries into enormous wholes. The increase of tax will prevent union and monopolization. Capitalists will carry on their businesses as separate institutions and as competitors.

But is there a certainty of these results? Will not monopolization continue and prices be raised to meet the tax?

Prices can be no more raised to meet the demands of this tax than prices can be raised to meet the demands of a tariff tax. Against whom is the tariff directed? Against individuals abroad who would monopolize the trade in this country of certain indispensables, and by a system of overcharging and underpaying rob our people of all but a bare living. A tariff forces these foreigners to do one of two things: to cease trading with us or else to establish their capital upon a different basis by planting their industries within our own lines. Some transplant while others, being established abroad, rest content with abandoning our markets.

Now the tax proposed would have the same effect upon those who would and do monopolize amongst us the trade in certain indispensables. Our monopolists would have but two alternatives left before them; either to cease business or to establish their capital upon a different basis by dividing and pursuing their business as separate concerns. They would be placed at such a disadvantage as regards other capital that was ready to step in and avail itself of the saving of tax that they could not do otherwise. Of course monopolists would accept the latter alternative. Capital never did and never will deliberately reduce itself to a state of profitless inanition. In other words, Vanderbilt & Co. would never think of pulling up their railroads and putting them into their pockets. When it came to the *must*, they would divide their large system of railroads into smaller systems and continue to operate them as divided.

But would not the division be mere pretense, a secret organization being maintained for the keeping up of prices?

There could be no secret organization without its being discovered. No set of persons ever did form a combination for the self-regulation of prices, and continue it for any length of time without its being found out; and no set of persons ever can. The attitude of monopolists and

competitors toward the public is, in so many respects, so widely different that people cannot long be in doubt as to what class a business belongs. And whenever a combination is found to exist, let the law be straightforwardly applied. It will have the effect of preventing monopolization.

Granting to be facts what has been thus far asserted, there is still another objection. Will not the system of taxation proposed prove such a drawback to the aggregation of capital as to prevent entirely the appearance of industries that must be necessarily large?

Not the slightest drawback in any way does the tax interpose. Those industries that must necessarily be large can have no small competitors, and, therefore, no similar industries with themselves possessed of an advantage over them in taxation. If an industry *must* be capitalized to the extent of half a million dollars, how is there going to be a competitor with less capital? The effect of such a tax as this, properly arranged as to rate of increase, is to cause all industries to assume a scale of sizes or worths which amounts to adequacy—fear of extra tax preventing over-size, disadvantage of lack of capital preventing under-size.

Import duties rob nobody. The importer loses nothing for he gets his money back when he sells his goods. The people lose nothing, for the duties go into the public treasury, and relieve them of what would otherwise be so much direct taxation. It is paying money into the treasury to be placed to the peoples' credit.

Whereat does the robbery of the tariff lie then?

It lies with the home manufacturers. They can, by combining to cut off home competition, put up prices and rob the people indefinitely.

So we see that it is not the tariff that robs. It is those who take advantage of the opportunity that the tariff gives them that do the robbing.

What is the remedy then—to remove the tariff?

No; if we removed the tariff the foreigner would rob us.

What *is* the remedy then?

Prevent monopolization. There can be no robbery where there is no monopolization.

Without a tariff monopolists abroad would force us to depend upon them for many of the indispensable articles of consumption, and by overcharging us for their commodities, and underpaying us for the commodities we gave in

exchange, cheat us out of all but a bare living. This any protectionist will tell you is true.

With a tariff, monopolists at home force us to depend upon them for many of the indispensable articles of consumption, and by overcharging us for their commodities, and underpaying us for our commodities, cheat us out of all but a bare living. This any free trader will tell you is true.

The protectionist and free trader are both right. Without a tariff, the foreign monopolist robs; with a tariff, the home monopolist robs.

Now let us remember that in both cases it is the monopolist who robs.

Could the foreigner overcharge and underpay if he had not the monopoly in his business? Could there be overcharging and underpaying if there was competition? Must there not be an agreement between all parties to work as one before extortion can begin?

So with the home party. He must possess a monopoly before he can extort.

Now here we are. Free trade and foreign extortion; tariff and home extortion. The tariffite is agreed to the one, the free tradeite is agreed to the other. *Both are right.*

Is it a choice between two evils, then?

No.

Then what is to be done?

For one thing, let the tariff alone. That will

bar out the foreign monopolist and save us from his imposition.

Next employ the taxing power to prevent monopolization at home. Then there will be no extortion at all and all the good results arising from the absence of exaction will follow.

For a set of persons to inaugurate a boycott against an individual and rob him by injury of his business, that is conspiracy.

For a set of persons to inaugurate a monopoly in the people's midsts and rob them all by a raise upon prices, that is conspiracy.

The first act is punishable; the second is not?

Why this distinction? Why the one punishable while the other is not?

The answer is, there is a law for punishment in the one case; there is no law for punishment in the other case.

But why law for the one and not law for the other?

The answer is to be sought in the influences that can be summoned by parties possessed of an instrumentality for taxing all costs of contests, both the people's and their own, up to the people.

To provide ourselves with a remedy for the existing evils of society, we must institute a system of taxation which will prevent monopolization.

Then we will have competition.

And the same taxation which promotes competition will equalize taxation, through equalizing the rate of profitableness in all branches of industry.

Institute a system of taxation which will prevent monopolization and promote competition and you have solved the problem of the welfare of society.

You have solved it, too, by the only mode in which it can be solved?

ABSORBED.

[Selection.]

Corporate capital has grabbed and is grabbing:

1. All the pine lands of the Northwest.
2. All the grazing lands of the Southwest.
3. All the mines of coal and iron of the East and Central States.
4. All the petroleum of the Middle States.
5. All the gold and silver mines of the Rocky Mountain region.
6. It handles all the wheat and pork and is fast absorbing all the land upon which those staples are raised.
7. It controls all the means (railroads) for the distribution and exchange of these things—the primal necessaries of human life.

THE PRO-MONOPOLIST.

DURING THE SOUTHWEST STRIKE.

It would appear that a considerable proportion of the property holders of the community at the present time, are elated over the fact that monopoly again has won, while they are chuckling with delight over the thought that a large portion of the strikers with their families will be forced to leave their dwellings and to go begging from a pitiless public for want of a better way to sustain life.

While it is true that strikes are not to be justified and should be prevented by a removal of the causes which lead to them, is it not also true that the sentiment which moves people to crow over the victories of monopoly and to delight at the dis-

comfiture of those who have attempted to stem their oppressions, forbodes anything but good to the common property holder or business man ?

If the laborer must be forced to feed and clothe himself with the merest sufficiencies of life, to whom is the grocer going to sell his sugars and teas, the dry goods merchant his cloths and calicoes, the farmer his grain and beeves, that the laborer with better wages would freely buy.

If the farmer must be subjected to a system of high freights, high interest and high taxes that go for the benefit of Eastern capitalists, who must buy the lumber, groceries, dry goods and hardware, that he otherwise would have bought?

If the merchant must pay a monopoly price for goods and an excessive rate of freight to get them here, where must he get his saving out of the few goods he can part with to an impoverished public to pay rents, taxes, clerk hire and the keeping of his family?

The merchant probably figures that with low wages he can save ten dollars per month in clerk hire. He does not figure what are the immense losses from unsales occasioned by all other employes being poorly paid.

The Western loan agent figures that the extortions of monopolists bring him more mortgages. He does not figure that if the country was prosperous enough to dispense with mortgages he could find another business at bigger profit.

Every cent which the Eastern monopolist cheats the Western earner out of reflects to the disadvantage of the Western business man. There is so much less money left here than should be left here to buy with. In consequence, the merchant, the sewing machine agent, the mowing machine agent, the dentist, the doctor, the insurance agent, the house renter, all that class who rank commonly with the pro-monopolists, must experience poor pay and dullness in their business.

We cannot advocate the right of Eastern monopolists to charge us what they please for their materials and services, and to pay us what they please for our materials and services, without in the very act, advocating the direct destruction of our interests. The prosperity of any individual, no difference what he is engaged in, depends upon the prosperity of those around

him. What goes away from us cannot stay with us; and if all goes away from us but a bare living, then the retail merchants will have to engage in furnishing the people a bare living, and that is not a profitable business.

We are not arguing against the right to force the laborer and farmer to live in poverty and rags. The right to do that seems to be so firmly fixed in the minds of many that it cannot be dislodged. What we do try to show is the consequence to the pro-monopolists, who must depend upon the impoverished for their patronage. There is one continuous and long lament issuing from the mouths of the pro-monopolist business men now on account of dullness of trade, and this will grow worse. For the sake of them the people in common should be allowed to retain more of their earnings. They could afford to give relief to the pro-monopolists, then, by spending more money with them.

At the present time the property holders are no better situated than the laborers. The laborer must have his living, even if the property holder is taxed to pay for it.

The property holder, on the contrary, may or may not be making a living, but he can expect no help from the Eastern monopolist or any one else while he holds on to any property. If he is shaky, good sales might save him; but if he believes in grinding down the horny-handed sons of toil to a bare living, he does not believe in that which will bring him good sales. He therefore deserves to go under. Any man who believes in the distress of those around him, that some far-off person who doesn't care a sniff for him may make a Crœsus of himself, believes in that which will bring unto him certain ruin, and I suppose when the ruin comes upon him he deserves it. If the ruin of himself is what the common business man wants, then let him yell, "Hurrah for Monopoly."

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